

Globalisation and Information



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Special Issue edited by Ruth Rikowski

GLOBALISATION AND INFORMATION

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Conference: *Libraries under Fire* - Sessions to be held as part of IFLA 2002 Conference in Glasgow (details at the end of this issue)

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The editing and production of *Information for Social Change* will change each issue.

This issue has been produced and edited by **Ruth Rikowski**

The cover, ***Burning hope to create power***, was designed by **Victor Verne Rikowski**, aged 14 years, July 2001

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SECTION 1: INTRODUCTION

Ruth Rikowski

The idea for the theme of this issue of *Information for Social Change* (ISC) emerged originally from attending an inspirational Globalise Resistance Conference in February 2001, at Hammersmith Town Hall and then reading *The Battle in Seattle: Its significance for education*, written by Glenn Rikowski and published in March 2001. Glenn's book focused on the World Trade Organisation's (WTO) education agenda and the privatisation of education in England. It also explored the significance of education for anti-capitalist struggles. ISC members thought that a similar analysis of information and libraries would be worthwhile.

Thus, I became the editor of this Globalisation and Information issue and began undertaking some research. I soon discovered that the facts supported many of the worst fears and concerns that we had. In particular, I found that the International Federation of Library Associations and Institutions (IFLA) had a resolution on the WTO on its web site. Furthermore, various other library associations also had WTO resolutions and they were all very concerned about the likely effects of the WTO and the GATS (General Agreement on Trade in Services) on libraries. The basic fear was that at some time, in the not-too-distant future, libraries and information will become commodified and will operate in the market place and that this will override concerns for the 'public good' (as described by IFLA).

Globalisation and Information is an expansive topic, so the issue has been divided up into different subject areas. These are 'Globalisation and the WTO', the 'GATS', 'Libraries' and 'Information and Knowledge'. The section on 'Globalisation and the WTO' considers the meaning of 'globalisation' and what the WTO is. This section begins with **Bill Lehm's** article 'One law for the rich...' Lehm's article links up the privatisation of public services with the Blairite 'modernisation' programme. He is particularly concerned about how restrictive and unjust the law is today, and he says:

It seems that there are so many Acts restricting your ability to act that you have fewer ways to act without breaking the law than you ever had before.

He also refers to the Schengen Information System (SIS) which is a computerised information exchange system based in Strasbourg. SIS is a list of people who could be perceived as being 'potential troublemakers'. Later in the article he refers to Paul Robinson who worked in the University College London library and was arrested at the anti-capitalist protests in Gothenberg. Robinson was later given a one-year prison sentence. Lehm speaks about the unjust way in which Paul Robinson has been treated, and concludes with a critique of a legal system that favours business interests against those of ordinary people.

Glenn Rikowski's article provides an analysis of globalisation and an account of the history and development of the World Trade Organisation. He also demonstrates a general approach for relating the GATS to the mechanisms and enablers that ensure particular public services in particular countries fall in line with the GATS imperatives. Rikowski calls these mechanisms and enablers the 'national faces of the GATS', and argues that the GATS change the nature of (transfigure) particular public service developments so they support the realisation of GATS directives.

Victor Rikowski (who is 14 years old) explores globalisation from a child's perspective. He feels very concerned about the future of our planet. Victor is particularly concerned about the HSBC bank that goes into his school and the extent to which HSBC might make a base in other schools. Thus, he is focusing on the likely privatisation of our public services. He fears that the millionaires will rule the millions and that this will have a devastating effect on our planet (especially in regard to environmental issues). He concludes:

As Dave Nellist said..."Help the millions and not the millionaires"...However, global capitalism continually says, "Help the millionaires rule the millions", and this has to be stopped...

There are two articles in the section on the GATS. The first, by **Clare Joy** explains how the GATS effects many different areas of our life – indeed, it covers 160 different services. As Joy says, these services include libraries, medical and dental services, refuse collection, higher education, postal delivery, railways, department stores, radio stations, mobile phones and financial services. She then describes different aspects of the GATS, such as the 'bottom-up' and the 'top-down' approach. She also emphasises the point that once a government signs up a service, it could face a challenge from the WTO if it implements legislation that favours local suppliers over foreign suppliers. Joy highlights the threat to democracy posed by the GATS.

Anneliese Dodds, referring to the GATS in relation to higher education and libraries, notes that: 'Once HE and library services are placed under WTO control they will in effect be so forever.' She adds:

The charges used by many libraries for particular services (book recall, hiring of music and videos, use of the Internet etc) may also open this sector to the GATS regulations.

...and refers to the possibility of 'impoverished and biased information provision.' Dodds provides many insights regarding the WTO and the GATS throughout her article, and concludes that:

Universities and libraries are simply too important to be handed over, through GATS regulation, to governance by a small number of often inept and ideologically-driven WTO bureaucrats.

Ruth Rikowski opens the section on 'Libraries' with 'The Corporate Take-over of Libraries'. She begins with a brief glimpse at the history of the public library service in the UK and then proceeds to illustrate how this is under threat with the GATS. Rikowski shows how the corporate takeover of libraries can be placed within three categories – commercialisation, privatisation and capitalisation. She provides some examples to illustrate how this is already happening. PFI has been introduced into various sectors, for example, and income generation has been taking place for a number of years. Within this framework, Rikowski then considers Best Value, library standards and the Peoples Network – which are all mechanisms that will enable the GATS to take effect in our public libraries. She then highlights the fears and concerns of various NGOs and library associations (such as IFLA and the Canadian Library Association) in relation to the GATS. Rikowski concludes with some thoughts for the future, emphasising the need to think as well as take action.

Fiona Hunt considers the WTO and how it could effect libraries. She presents a possible scenario whereby a public library is supported by local taxes. An information services company then enters the market and demands the same level of subsidies and tax support that the public library gets. She argues that the government would probably cut or eliminate public funding in order to avoid these types of claims, thus she holds the same opinion as Dodds in this respect. She also argues that the GATS could affect the professional qualification requirements. Hunt concludes her article by expressing the concern that perhaps, in the future, only the rich will be able to afford information and then makes various suggestions about what people could do to try to stop all this from happening.

The section on 'Information and Knowledge' begins with **Shahrazad Mojab's** article 'Information, censorship and gender relations in global capitalism'. Mojab begins her article by dispelling the myth that the Internet and the Information Superhighway will solve most, or at least many, of our problems, particularly in relation to censorship. She then notes the mechanisms that have been put in place to curtail our liberties since September 11th 2001, and says that:

This includes a well financed machinery of surveillance, which allows the government to wiretap telephone calls, read faxed and e-mailed messages, computer files, and every other communication of any and every citizen.

She speaks about women and censorship in particular, and says that not only does it deny "women access to information, but also limits their participation in the creation of knowledge, and denies them the power to utilize knowledge." Shahrazad speaks about the need to challenge patriarchy. Returning to globalisation, cyberspace and women she notes that:

The cyberspace is much like the realspace that creates it. The fact that many individual women or groups can set up their own websites does not change power relations in the realspace.

She concludes with some suggestions about what to do in the future. This includes creating theoretical and empirical knowledge about gender-based censorship and making this knowledge available to policy makers.

Alex Nunn invites us to examine the knowledge economy and, allied to this, the extension of 'commodification to ever more areas of life to the point where even our own bodies might be the vehicle for capital accumulation.' Nunn alerts us to the current pre-occupation with the 'knowledge economy' and notes that:

...the 'knowledge cacophony' is actually an attempt to mask the reality of a continuation of capitalist social relations and the extension of commodification to ever more areas of social life.

Later, Nunn refers specifically to higher education (HE), saying that it can be seen as the 'lynch pin' of the knowledge economy strategy. He refers to Public Private Partnerships and Private Finance Initiatives in higher education, the reduction of state funding and the encouragement that universities are given to look for private sector sources of funding. He cites the University of Phoenix as an example of the direction in which HE might be going. This is a private for-profit university that offers distance education through an online interface. Nunn then warns us about the dangers posed to the public library service through the implementation of the GATS. As he indicates:

Public libraries could find themselves in ever more competition with for profit knowledge institutions and if the GATS framework were extended to libraries then that competition would be intensified through the ending of public subsidies to public library provision.

Patrick Ainley invites us to consider the concept of the 'Learning Society'. He says that the government and the CBI define the 'learning society' as 'one that systematically increases the skills and knowledge of all its members to exploit technological innovation and so gain a competitive edge for the services in fast-changing global markets.' He then describes how we are witnessing 'rampant qualification inflation' as it seems that more and more people want and need to get qualifications, and that this is leading not to a 'learning society' but to a 'certified society'. In the 'Learning Society' today: 'knowledge and skills are individualised and limited to portfolios of information and competence, while learning is separated from leisure and popular culture. Education and training's main purpose becomes social control outside of work and managing organisational change within employment.' Ainley says that what is required is a re-establishment of the central role of education, science and the arts in society to 'stimulate thought and develop new knowledge and skills to deal with a rapidly changing reality.' He concludes by noting that 'only information combined with democracy can provide the knowledge and skills necessary for survival in a real 'Learning Society.'

Jonathan Rutherford begins his article by saying that we need to consider the alternative to the marketisation and privatisation of our public services and alerts us to the fact that we need to take seriously Blair and Brown's commitment to the marketisation of the welfare state. He then goes on to emphasise the importance of knowledge in today's globalised economy and notes, as people like Nunn have, that universities are now being funded more like commercial organisations. Rutherford argues that:

Neo-liberal capitalism geared to the pursuit of profit, is incapable of the kind of sustainable development necessary for effectively and equitably managing and distributing the intangibles of knowledge creation. Knowledge is a public good, but knowledge capitalism is avaricious in expropriating the cultural meanings, symbols and knowledge it requires to increase its productivity and create new markets.

Universities have all too easily become prey to 'knowledge capitalism' and yet, concludes Rutherford, in the future there is a need to 'nurture and sustain learning' within the public sector 'where ideas can circulate and develop free of exchange value'. Thus, both Rutherford and Ainley offer us some hopes and ideals for the future, although it is important to emphasise that it is the roots of the social universe of capital itself that need to be exposed and understood before it is even possible to really begin to see hopes for a world beyond. Without this, the ideas of radicals and critics will just be subsumed within capitalism itself (if they are thought to be useful).

The issue concludes with an **ISC statement on *State Terrorism, Censorship and Repression*** – drafted by Martyn Lowe, and information about ***Libraries under Fire***, a session to be held at the forthcoming IFLA Conference, Glasgow, August 18-24, 2002.

This Special Issue has addressed many developments and trends regarding the business takeover of libraries and information. Any comments would be warmly welcomed.

Acknowledgements

I would like to thank Glenn Rikowski and Matthew Mezey, for the help, advice and contacts they have given me throughout the production of this Special Issue. Finally, I would like to thank the UK Library Association for the financial support that they have given for the production of this issue of *Information for Social Change*.

SECTION 2: GLOBALISATION

One law for the rich...

Bill Lehm

How do you get arrested for advocating respect for the law? People are now in prison for committing this very crime. Why?

The acronym GATS stands for the General Agreement on Trade in Services. The General Agreement on Trade in Services was originally agreed at the WTO in 1994. The aim of this agreement is to remove any restrictions and internal government regulations in the area of service delivery that are considered to be 'barriers to trade'.¹

The phrase 'restrictions and internal government regulations' is a euphemism for the word 'laws.' Why didn't they use the word 'laws' in their document? Well, people become very emotional about laws and, more specifically, the law. Most people have the utmost respect for it and believe that it is one of the few barriers

we have between civilisation and barbarism: unscrupulous people, people who are very sophisticated but not very civilised, should not be allowed to do exactly what they want to.

Those laws that address environmental issues, planning issues, trade union rights, safety, fundamental human rights and the public provision of public services will, without question, become 'barriers to trade.'

Public libraries and most academic libraries are public services. The World Trade Organisation considers that private businesses or corporations should provide all public services. We live in an information economy. This means that information has to be paid for and it could mean that you have to pay to borrow or pay a subscription or it could mean that, because people could borrow books rather than buy them, libraries could be declared illegal. This is not as far-fetched as it seems: libraries themselves would become 'barriers to trade'.

And the Internet? Remember that the most important word in all this is 'trade'. Anyone who provides information for free could be prevented from doing so because that would make it less likely that a company/corporation could successfully charge for providing the same information or, as they would put it, trading the information.

Even if this were not to happen do you believe that a corporation would allow access to all information, especially that which took a less than rosy view of its own operations. Imagine if those paradigmatic multinational corporations Nestle, Macdonald's or Exxon went into the library business.

The WTO is the main reason that Tony Blair persists with his policy of privatising every public service he can think of even though opinion polls say that only one person in ten in the UK is in favour of it. This is hardly democracy in action. But the UK is a fully signed up member of the WTO and we therefore have to do what they say. Do what who says? Sorry, we don't know their names. Who elected them? Sorry, they weren't elected? Can we appeal against their decisions? Sorry,...

In Seattle in November 1999 a demonstration developed over the period that the WTO were meeting there. It was one of the first big demonstrations against their activities in the 'developed' world although many demonstrations had taken place all over the undeveloped world for many years previously. Thousands upon thousands of people had demonstrated in places such as Latin America, Indonesia, Thailand, and India where as many as 250,000 people have demonstrated more than once against measures inflicted upon them by the WTO, the IMF and the World Bank. Please do not refer to these countries as 'developing countries' - the interest they have to pay on their loans prevents them from developing. The term is an IMF euphemism used to deny the reality of their situations. Since Seattle there have been demonstrations in Quebec, Melbourne, Prague, Washington, Nice, Barcelona, Gothenberg, Salzburg and Genoa, as well as many other places where these organisations or those who influence them such as politicians, bankers and industrialists meet.

At the EU summit in Gothenberg on June 15th 2001 police officers fired 12 shots and injured three people including 19 year old Hannes Westberg who lost a kidney and his spleen as a result. In Genoa in July countless people were beaten in their sleep in the Diaz school which was supposed to be a safe haven. The walls literally ran with blood. And one person in Genoa, 20 year old Carlos Guiliani, was shot through the head and died. In Gothenberg on June 15th a bullet missed a demonstrator's head by centimetres: he was saved by a lamppost. Not one policeman in either city has since been charged with any offence. The implication is that police forces throughout the EU have carte blanche to shoot demonstrators knowing that they will not be called to account for doing so.

We have the Human Rights Act to protect us in the UK but we also have the Criminal Justice Bill, the Regulation of Investigatory Powers Act and the Electronic Powers Act, and the updated Prevention of Terrorism Act which put together seem to make up as effective a tool to undermine the Human Rights Act as it possibly can be. It seems that there are so many Acts restricting your ability to act that you have fewer ways to act without breaking the law than you ever had before. Especially if you chose to show dissent to anything the lawmakers, restrictors or internal government regulators do. Unless, of course, you are a multinational corporation, or a member of the security forces, a judge or a Cabinet Minister (but not an ordinary Member of Parliament - they can be Whipped anytime). Oh, and there are also cameras everywhere watching almost everything you do.

And some tools can be used to restrict people, which have not been discussed by Parliament at all. Schengen is a small village in Luxembourg not much bigger than our Houses of Parliament. There, in June 1985, EU member states agreed to abolish controls at the borders between them by 1990 to allow for the free movement of their nationals. Part of what is known as the Schengen Acquis is the Schengen Information System, which was launched in March 1995. The Schengen Information System (SIS) is a computerised information exchange system based in Strasbourg, which is available to the police forces of all member states. This is basically a list of names of people considered to be potential troublemakers. You do not need

to have a criminal conviction to be included on it, you do not even have to have been given a warning to be included; you simply have to be suspected of having the *potential* to cause trouble.

The information contained on the Schengen Information System does not have to be accurate. It may more honestly be referred to as the Schengen Suspicion System - the 'suss laws' reinvented and applied over a much wider area but in a way that you don't even know it's happening until the day you are prevented 'in the interests of public order and security' from entering a country where a protest is expected, or if you are suspected of some kind of criminal act in a country you have just returned from and find yourself being extradited. Impossible? You would be amazed: this is exactly what this 'information' (here a nod and a wink is in order) will be used for. But surely the Data Protection Act applies? Sorry...

The UK Select Committee on the European Union in the House of Lords had grave reservations about the lack of Data Protection provision in the Schengen Aquis. That doesn't matter: 'In the UK the ratification process will, as usual, be a mere formality with the Convention simply being "laid before the House" (under the "Ponsonby rules")'.² The Ponsonby Rules are those antiquated parliamentary procedures which include the Royal Prerogative that prevent the UK from ever becoming an elective dictatorship by ensuring that we always have an elected monarchy in place, instead of in parallel to the hereditary one.

Don't worry, we have the courts. But a mention in the Schengen Information System will almost certainly merit a mention in the courts and recourse to law will only be in national courts, not at the European Court of Justice. As a matter of fact most of the member governments made Herculean efforts to ensure that recourse to law could not be in the European Court of Justice. And, of course, there is no such thing as an international criminal court.

At the EU Summit meeting held in Gothenberg in June where George Bush was a guest, three people were shot at demonstrations and over 50 arrests were made. Some were subsequently released but others went on trial. Most were charged with "violent riot," an offence, which, at the time, invited a prison sentence of two or three months, based on precedent. Paul Robinson, an English Library Attendant who works at University College London, was among them.

On the 15th, Paul was arrested at a street party which the organisers had agreed with the police would end at 10 p.m. The police attacked the crowd at 9 p.m. The time on Paul's arrest record, 9.40 p.m., is when the documentation was being filled in at the Police Headquarters quite a distance from the scene of the party. Video evidence presented to the court showed him rolling a stone about two metres parallel to the police lines into a gutter where it came to a stop without coming near anyone let alone hurting anyone. He was separate from the main body of the crowd and among a crowd of journalists and photographers. He had actually tried to leave the scene but was prevented from doing so by the pressure of people. He admitted in court that what he did was stupid but the evidence shows that he was not aiming the stone at anyone or trying to hurt anyone. The gesture was not even one of sympathy with the crowd, it was merely one of frustration.

At the court, the prosecutor held one stone in each hand. In the hand nearest to the bench was a large stone which, he pointed out, was similar in size to those thrown at the street party, in the hand furthest from the bench was a much smaller stone which, he said, was about the size of the one Paul rolled into the gutter. However, during his 40 minute summing up, he kept raising the larger stone, drawing the bench's attention to it and away from the smaller one. The prosecutor also mentioned the fact that Paul had been tried in December 2000 for a similar offence in London. What he did not mention was that the demonstration he was arrested at in November 1999 was called by the Railway unions at Euston Station in London to protest against the declining safety standards on the railways in Britain and that he was found not guilty on all charges. The Schengen Information System. The bench in Gothenberg consisted of a judge and four politicians all of whom lived locally. So did the Prosecutor. So did the officer in charge of policing the event. The trial had nothing to do with justice - it was an opportunity for revenge. It was a show trial. The following week it was announced that Paul had been sentenced to one year in prison.

At his second trial (not strictly an appeal - all those charged under Swedish Law are entitled to two trials as a matter of course) the police witness who was also a witness at 23 other trials kept referring to Paul as a terrorist. Paul objected to this, especially in relation to what had happened the day before when the World Trade Centre had been bombed. The judge allowed the witness to continue in the same vein. The original sentence was subsequently confirmed. Almost all Swedish people I have spoken to would prefer their legal system to include juries on the British model. Successive British Home Secretaries have done their utmost to limit juries in British courts.

Since September 11th the Council of the European Union has put forward a definition of "terrorism" in which a "terrorist offence" would include actions "with the aim of seriously ... affecting or destroying the political, economic or social structures of a country or of an international organisation" "Such a broad definition would

clearly embrace protests such as those in Gothenberg and Genoa.”³ The UK and Ireland don't even want the word 'seriously' included. What affects the political structures of countries? Opposition parties, news media, pressure groups, elections, and any kind of dissent. The crippled, corrupt system of government we have in the western world which, for the convenience of certain interested parties, is labelled "democracy" can finally be laid to rest.

On October 10th, 'A group of prominent non-governmental organizations (NGOs) based in industrialized countries sent a sharply worded letter to the World Trade Organization (WTO) charging that it "is facing a fundamental crisis of legitimacy" which requires comprehensive institutional reforms ... Trade ministers often represent or listen to only certain business interests, which results in policies that "are unbalanced or otherwise lack legitimacy."'⁴

On October 15th, David Blunkett, the Home Secretary, said: "It is the first job of government and the essence of our democracy that we safeguard rights and freedoms, the most basic of which is to live safely and in peace."⁵ In the comedy science fiction film Mars Attacks the Martians always say "We are your friends" as they laughingly kill the helpless Earthlings. I had no idea when I first saw it that I was watching the most politically astute film of the millennium so far. If the law cannot protect and defend ordinary people from the excesses of criminals, the security forces, prosecutors, politicians or corporations, how can ordinary people possibly have any respect for the law? Indeed, they would probably have exactly the same level of respect for their country's laws as that outlined in the General Agreement on Trade in Services.

Notes

1. <http://www.wdm.org.uk/campaign/GATS.htm>
2. http://www.poptel.org.uk/cgi-bin/dbs2/statewatch?query=schengen&mode=records&row_id=18288
3. <http://www.statewatch.org/news/2001/oct/08counterr.htm>
4. Gustavo Capdevila: <http://www.wtwatch.org/news/index.cfm?ID=2901>
5. <http://www.statewatch.org/news/2001/oct/09ukterr1.htm>

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Transfiguration: Globalisation, the World Trade Organisation and the National Faces of the GATS

Glenn Rikowski

Globalisation: Its four dimensions

Over the last twenty years the academic literature on globalisation has burgeoned. It will not be summarised here. The initial aim is to indicate that globalisation is a process that has a number of dimensions. It can be approached from various degrees of abstraction. I have identified at least four dimensions to globalisation as a set of social processes. There may well be more than four – but that misses the point. The key point is to uncover what is at globalisation's *core*, for only in this way can the full extent of the threat to the public services in contemporary social life be appreciated. This core is the *value-form of labour*.

First Dimension

As Peter McLaren (2001) and others have indicated, for postmodernists and those interested primarily in *cultural* phenomena, globalisation has been associated simultaneously with the cross-fertilisation and increasing hybridity of cultural forms and identities on the one hand and the homogenisation of culture on the other. The latter trend is manifested in the standardisation of culture, summed up by the concept of McDonaldisation – the product is the same wherever you are. On this basis, globalisation as the embrace of consumer products such as Nike, the GAP, Nokia, Sony and McDonalds incorporates cultural conformism. 'Globalisation' in this sense points towards global markets, consumer identities and choice.

Of course, billions throughout the world cannot afford many of the products associated with upbeat lifestyles and cool dude poses. Drawing on the work of Teresa Ebert, Peter McLaren argues that globalisation as a set of cultural processes emphasises 'global symbolic exchanges relating to values, preferences, and tastes rather than material inequality and class relations' (2001, p.4). Therefore, notes McLaren, in this sense it refers to a 'cultural logic' that stops short of analysing the production relations that power it. To explore this

first dimension of globalisation alone is not erroneous, but it is certainly superficial. Furthermore, the focus on market identities, relations and choices becomes ideological if the underlying social relations of production are masked or avoided in the analysis. What is required is an analysis of globalisation from political economy.

Second Dimension

The second dimension of globalisation is the familiar ground of much political economy, sociological analysis and studies in international relations. The focus is primarily on the way that the powers and significance of the nation-state are eroding in the face of forces of global capital that have been let loose in the last twenty years or so. Again, drawing on recent work by Peter McLaren, the essence of this perspective on globalisation is that it incorporates a focus on the state and 'explores the relationship between the local and the global and whether globalization means the reorganization or disappearance of the nation-state' (2001, p.4). These political theorists of globalisation, argues McLaren, 'generally argue about the sovereign status of the nation-state. They argue that local legal codes, local currencies, and local habits and customs that enable the rise of capitalism now serve as constraints on capital, so that now the new transnational institutions more suitable to the new phase of capitalism are developing' (*ibid.*). The new transnational organisations are primarily the World Trade Organisation (WTO), the International Monetary Fund (IMF) and the World Bank, which, the story goes, are increasingly taking on world governmental roles for the interests of capital in general and transnational corporations in particular.

To complete this form of analysis, economic factors such as the deregulation of labour and financial markets, the 'communications revolution' through the Internet, the growth of e-commerce, knowledge as a leading factor of production, and many other economic developments are brought in. The speed, intensity and volume of economic transactions increase, and the markets never sleep. The point is that in this form of analysis these technological and economic trends, together with the rise of transnational institutions regulating world trade, finance, competition and investment, are seen to be undermining the political integrity of the nation-state. Since the integration of the old Eastern Bloc countries and China into the world economy, *global capitalism* has become a reality. Werner Bonefeld (1999) has summarised many of these interrelating political and economic trends that together summarise what many take as 'globalisation' (see Box 1).

BOX 1: Globalisation

- The increasing importance and significance of the financial structure and the global creation of credit, leading to the dominance of finance over production.
- The growing importance of the 'knowledge structure': knowledge is said to have become a significant factor of production.
- The increase in the rapidity of redundancy of technologies and the increase in the transnationalisation of technology: an emphasis on knowledge-based industries with increasing reliance on technological innovation.
- The rise of global oligopolies in the form of multinational corporations: corporations appear to have no choice but to 'go global', and multinational corporations and transnational banks have become the significant power centres beyond national states and economies.
- The globalisation of production, knowledge and finance is viewed to have led to a decline in the regulative power of national states. This is accompanied by the rise of global authority structures - such as the United Nations, the G7 (now G8) group of industrial powers and the WTO, International Monetary Fund (IMF) and World Bank.
- The 'new freedom' of capital from national regulative control and democratic accountability is held to have lead to increased ecological destruction, social fragmentation and poverty - as well as having effects for personal identity as global media corporations homogenise, customise and niche market their products.

(Adapted from Bonefeld, 1999, pp.76-77)

This second dimension completes the *descriptive* account of globalisation. We can pinpoint its trends, developments and characteristics. Yet no real explanation of why capital becomes *global* can be derived from such descriptions – however detailed. Without a deeper analysis, global capitalism remains an enigma and appears as an overwhelming force, as inevitability, such that attempts by governments to run against it in the interests of labour or the environment seem Quixotic.

Third Dimension

The third dimension of globalisation appears to yield a more abstract account. It rests on an appreciation of our living within a particular *social universe* (Postone, 1996): the *social universe of capital* (Rikowski, 2001b, 2002). Furthermore, globalisation is not just an a-historical process; it takes a particular social form. It is *capitalist* globalisation, the globalisation of capital.

The substance of capital's social universe is *value*, specifically surplus value that is created in the labour process and is incorporated in commodities (which are either material or immaterial). Surplus value is value over-and-above that incorporated in commodities equal to that represented by the wage. Thus, it represents unpaid labour. Surplus value is also the first form of the existence of capital, and it has a *social existence* that is transformed into other forms of capital – money being its universal form. Value and surplus value are created as we transform our labour-powers into concrete labour through commodity production. Out of surplus value come corporate taxes, rent, and revenue for the next production cycle and other deductions, but also, and most importantly *profit* – distributed to owners and shareholders. Increasingly (historically) the whole of social life is drawn into the orbit of capital, and all of civilisation becomes increasingly capitalised. Through our labour we create a social force and set of social relations – capital – that come to dominate us (Postone, 1996).

Capital's social universe is an expanding one; and globalisation on this third dimension summarises this. This expansion takes three main forms. First, spatially as capital fills all known socio-physical space (and this is not just confined to this planet). This is capital's *extension*. Secondly, capital expands as the differentiated form of the commodity, through the invention of new types of commodity. It expands through variegated and differentiated examples of itself. This is its *differentiation*. Thirdly, capital expands through *intensification*; it deepens and develops within its own domain. Of course, explaining why capital expands and how the mechanisms of its expansion function requires much complex analysis that we cannot pursue here. The key point is that the processes of capital's expansion outlined above *take over* and suck in, like a social vortex, all forms of social life such that they become *commodified*, become incorporated within capital's social universe.

An appropriate example of capital's rapid expansion is what is happening today in education in England; it is being *capitalised* at an increasing speed (Rikowski, 2001a; Monbiot, 2002). The WTO's education agenda is to speed up the capitalisation of education through its privatisation, liberalisation and marketisation (Rikowski, 2001a). In England, this involves capital's *extension* in particular (into new fields through the Private Finance Initiative, competitive tendering and so on in the UK), *differentiation* (especially through the development of new information and technology products designed specifically for educational institutions, something universities are themselves engaged in) and *intensification*. Similar developments can be discerned in relation to libraries. Increasingly they are operating within the orbit of capital, spinning out an increasing range of commodities that can be sold for profit and where whole libraries and library services are being viewed as potential sources of profit and bases for capital accumulation. The tragedy is that it is library workers' labour that enables all this. But this observation points towards the *weakness* of capital as a form of social life; it depends on our labour being expended in a particular form, the *value-form* – entailing the creation of value and surplus value. Our labour provides the social energy for the social relations and force that dominates us: *capital*. This tragedy need not be our Fate.

Fourth Dimension

Globalisation's fourth dimension builds on the conclusion to the third: that our labour takes a particular social form – the value-form. This is also an historical process; it deepens as the capitalisation of social life – the turning of all and any activity into a commodity that incorporates value – takes hold. The value-form of labour entails the creation of value so that profit can be drawn off from the surplus value created. This is at the core of 'globalisation'.

Translated into the world of library work, it is value (not *values*) that becomes crucial. Old traditional modes of working, professional values, notions of public service and putting community needs before the drive for profit – all become liabilities for capital accumulation as libraries shift from becoming public goods to private commodities. Community needs, user needs – indeed all needs in relation to library users – are placed within the context of the *market*. Through research they become marketing data for generating revenue and profits once the capitalisation of libraries reaches a certain point. Apologists for these developments will talk of the 'happy coincidence' between library users needs and revenue generation. With the capitalisation of public libraries the labour of library workers changes its nature; it takes the truly tragic form that labour in capital assumes. Ruth Rikowski's article (this issue) explores these processes in more depth. The key point is that the globalisation of capital ultimately results in a particular form of labour and a specific form of social life. These entail the sacrifice of human capacities for the generation of a set of oppressive and limiting social relations and social forces: *capitalist* social life – governed by the laws of value and money. Library work is subjected to these laws as capital incorporates it within its orbit.

The World Trade Organisation (WTO) facilitates and enables the capitalisation of all areas of social life. In particular, one of the WTO's key agreements, the General Agreement on Trade in Services (GATS) functions to open up public services to capital and its value-form of labour. It nurtures the operations of corporations that search the globe for profit-making opportunities. The next section provides a summary of the history and development of the WTO.

The World Trade Organisation¹

Whilst the Second World War was still raging, in 1943 the US and British governments embarked on a series of bilateral discussions aimed at designing a post-War international trading system free of the protectionism of the inter-War years (Cohn, 2000, p.205). In the autumn of 1945, the US State Department floated a document on trade and employment that was to be the basis of multilateral negotiations. It constituted an outline for a proposed International Trade Organisation (ITO). This document was developed as the basis for the Havana Charter that was discussed by 23 leading capitalist countries in March 1948. Meanwhile, in 1946, the same 23 nations met to discuss the much narrower issue of tariff reduction. At this meeting it was decided to meet up the following year in Geneva to negotiate to reduce tariffs on about a fifth of the world's trade. Thus, in October 1947 the first round of the General Agreement on Tariffs and Trade (GATT) resulted in these 23 countries signing up to the agreement, which became effective on 1st January 1948 (MSN Encarta, 2000a). Furthermore, the signatories agreed to accept some of the trade rules enshrined within the draft ITO charter (ahead of the forthcoming meeting in Havana) in order to protect the tariff reductions negotiated in Geneva.

Thus, the GATT emerged after the Second World War as a charter for the ITO, which was envisioned as an agency of the United Nations (MSN Encarta, 2000a). The ITO was to complement the World Bank and the International Monetary Fund in establishing international trade rules and co-operation (DTI, 1999b: 1). However, it was at the meeting in Havana in March 1948 that this broader scenario started to unravel. The main aim of the meeting was to attain agreement to the formation of a permanent ITO. The 1947 GATT agreement was to be incorporated within the ITO. The ITO charter was to have had 'an ambitious agenda' (DTI, 1999b: 1). It was to cover not just trading relations but also employment, international investment, economic development, services, competition, restrictive practices and commercial policy and commodity agreements. It also included the administrative arrangements for a permanent ITO (Penrose, 1953; Reisman, 1996; DTI, 1999; Cohn, 2000).

As Tabb noted:

The ITO was to impose order on the world trading system, in order to avoid the kind of protectionist downward spiral in trade which occurred in the 1930s. (2000, p.4)

The ITO was not ratified at Havana (or thereafter). Cohn (2000, pp.205-206) presents the ITO as a dog's breakfast, with complex rules and 'numerous escape clauses and exceptions in the charter [that] would interfere with trade liberalization' (p.205). He also noted the disruptive effects for the ITO charter of the strong US protectionist lobby (*ibid.*). Yet Tabb (2000) argues that it was the possibility of the ITO providing substantive protection on labour standards and meeting the needs of developing countries that effectively sank it. From a United States' perspective, the ITO framework for regulating international trade yielded too much to workers' rights and Third World countries' yearnings for preferential treatment in trade, and set too tight a leash on big corporations' market power (promising anti-trust laws) (Tabb, 2000, pp.4-5). On this score, the United States dragged its heels over ratifying the ITO. In 1950, the ITO failed to win ratification in the US Congress and was consigned to history. The GATT, meanwhile, remained in use to regulate international trade.

From its 'provisional' status as precursor to the ITO in 1948, the GATT provided a legal and institutional framework for international trade and tariffs to 1995 (DTI, 1999). Its participants were 'contracting parties' rather than members; the GATT was never formally constituted. It aimed at non-discrimination in the sense that all participants were to be treated equally, such that when a country reduced trade tariffs for one GATT participant it had to do so for all. Secondly, there was a clause that enabled a GATT participant to withdraw its tariff reduction if it 'seriously harmed' its domestic producers (MSN Encarta, 2000a). This was a loophole that GATT participants were keen to exploit, pointing towards a need for a more formal trade dispute mechanism. The GATT participants sponsored eight 'trade rounds' in all. The "Kennedy Round" (1962-67) established a set of trade negotiation rules when parties disagreed. The Tokyo Round (1973-79) established a series of non-tariff barrier codes of practice in the areas of government procurement, customs valuation, subsidies and countervailing measures, anti-dumping, standards and import licensing (Antweiler, 1995).

The final "Uruguay Round" (1986-94) broadened the GATT agreement further by limiting agricultural subsidies and including trade in services and intellectual property within its scope. This round also

established the World Trade Organisation (WTO). The GATT and the WTO co-existed throughout 1995, and the former was wound up in December 1995. Trade agreements established by the GATT became incorporated within the WTO agreement (MSN Encarta, 2000b). In 1995, GATT's functions were taken over by the WTO.

The WTO is based permanently in Geneva and is controlled by a General Council comprising member states' ambassadors (who also serve on WTO committees) (*ibid.*). The Ministerial Conference meets every two years, and appoints the WTO's Director-General (currently Mike Moore). It had a budget of £48m and 500 staff in 1999 (Legrain, 2000, p.30), and by 2001 a budget of \$78million and a staff of 530 (Economist, 2001a).² The Seattle meeting in 1999 was the 3rd Ministerial Conference. There were 135 member countries represented at Seattle, and a further 35 nations had observer status there. By 2001, the WTO had 142 member nations (Tibbett, 2001, p.10).

As Bakan (2000, pp.22-23) has noted, the WTO extends far the remit of the old GATT. It includes a series of other agreements, for example:

- Trade Related Investment Measures (TRIMS);
- Trade Related Intellectual Property Measures (TRIPS);
- General Agreement on Trade in Services (GATS);
- Sanitary and Phyto-sanitary Standards Agreement (SPS) (setting restrictive standards on government policies regarding food and safety and animal and plant health);
- Financial Services Agreement (FSA) – designed to remove all obstacles to financial services.
- Agreements on agriculture, information technology and telecommunications.

Furthermore, the WTO incorporates a complex Dispute Settlement Process. Tribunals operate in secret to settle disputes between member states. Only national governments are allowed to participate, and there is no outside appeals procedure (Working Group on the WTO/MAI, 1999, p.5). Rulings generate three possibilities. First, losing countries have a set time to comply and they must change their laws to conform to WTO stipulations. Secondly, if they refuse to do this then they pay *permanent* compensation to the winning country. The third possibility is that they face non-negotiated trade sanctions (*ibid.*). As Smith and Moran (2000, p.66) have noted:

What distinguishes the WTO among international agreements is its Dispute Resolution Panel. The panel possesses far-reaching sanctioning powers over member countries, which it uses to ensure compliance with WTO commitments. No other international body has such strong enforcement capabilities.

The WTO is 'the only global institution that even the US and the EU are supposed to obey', whereas the World Bank and the International Monetary Fund have influence only over 'weak developing countries', notes Martin Wolf (1999), a journalist for the *Financial Times*.

On disputes other than trade, the WTO operates on a system of 'consensus', but in practice this process is driven by the "Quad" – the US, the EU, Japan and Canada – whose representatives meet daily in Geneva to address these non-trade issues (Bakan, 2000, p.23). Representatives from the "Quad" are lobbied heavily by transnational corporations. Furthermore, representatives from transnational corporations 'sit on all the important advisory committees' deciding detailed policy and set the agenda (Price, Pollock and Shaoul, 1999, p.1889). Thus, the WTO provides an 'enforceable global commercial code' based on close relations with transnational capital, making it 'one of the main mechanisms of corporate globalization' (Working Group on the WTO/MAI, 1999: 1). It is a 'forum for trade rights of capital, on terms negotiated by the agencies of governments that represent the interests of capital. No other rights count' (Tabb, 2000, p.6). Trade barriers are essentially '*anything* that can limit profits made via trade or investment' (Puckett, 2000). Major corporations have lobbyists settled permanently at the WTO's lair in Geneva, and representatives of corporations sit on some of the many WTO committees and working groups.

The outlook underpinning the WTO is deregulation, with incremental 'freedom for transnational capital to do what it wants, where and when it wants' (Tabb, 2000, p.5). As William Tabb has noted, the 'WTO's fundamental postulate is that trade and investment liberalization lead to more competition, greater market efficiency and so, necessarily, to a higher standard of living' (*ibid.*). In practice, standards of living for many countries in the poorer South have declined absolutely or relatively (compared to the richer Northern nations) in recent years. These principles and propositions are the essence of the concept of "neo-liberalism" in international economy. However:

While its proponents say it is based on "free trade", in fact, the WTO's 700-plus pages of rules set out a comprehensive system of corporate-managed trade. Under the WTO's system of corporate-managed trade, economic efficiency, reflected in short-term corporate profits, dominates other values.

The neoliberal ideological underpinning of corporate-managed trade is presented as TINA – “There Is No Alternative” – an inevitable outcome rather than the culmination of a long-term effort to write and put in place rules designed to benefit corporations and investors, rather than communities, workers and the environment. (Working Group on the WTO/MAI, p.1 – original emphasis)

The anger directed at the WTO's 3rd Ministerial meeting in Seattle late November – early December 1999 was underwritten by over fifty years of capital-friendly developments in organisational changes in the international trading infrastructure. Yet Seattle was an instant within a series of acts of resistance to global capital. These included landless peasants (NST) movements in Brazil, Mexico's Zapatistas, the farmers of India's Karnataka state, a 50,000 strong demonstration in the Niger Delta, Jubilee 2000, the J18 Carnival Against Capitalism in London 1999, and more besides (Bakan, 2000; Madden, 2000). Peter McLaren (2000, p.26) reminds us that 10,000 protestors picketed the WTO's Second Ministerial Meeting in Geneva in May 1998. Ward and Wadsworth argue that: 'Seattle was not the beginning, but the result of many small to medium movements that have been gathering strength for over two years' (2000, p.4).

The Seattle Ministerial was set up to produce an agenda for the next “Millennial Round” of negotiations. When the “Millennial Round” opened in Seattle on 30th November 1999, the ministers and delegates were confronted by 40,000 anti-WTO protestors, which was more than the ‘20-30,00 thousand that shut down Interstate 5 to protest about the Vietnam War’ (Tabb, 2000, p.1). The protestors represented around 800 trade union and activist organisations from more than seventy-five countries (Tabb, 2000, p.2). The vibrancy, creativity and courage that they incorporated into their strategies for shutting down the Seattle Ministerial were stunning. Despite being shot at with rubber bullets, tear-gassed and pepper sprayed the mass of protestors prevented ministers and the WTO *entourage* from addressing their agenda; they ‘left Seattle in disarray’ (Bakan, 2000, p.19). As some have noted (e.g. Mandel and Magnussen, 1999), the limited discussions that did take place in Seattle merely showed up serious rifts within the WTO as some Third World countries set out to block proposals for the next trade round. Furthermore, some countries made pledges to ‘free trade’ whilst lobbying seriously for rules favourable to their own economies (Mandel and Magnussen, 1999, p.39). Finally, Marshall (1999) points towards familiar EU/US splits in Seattle. Even without the protestors it would have been no picnic.

The spirit of Seattle was kept alive by a series of protests against the International Monetary Fund (IMF), the World Bank, the World Economic Forum, the G8 and EU summits and the May Day resistances of 2000 and 2001 in many other cities across the world. These protests culminated in the massive Genoa demonstrations against the G8 summit in July 2001, where 300,000 people took part and the Italian police resorted to sealing off 50 blocks of the city and killing one of the protestors. Post-Genoa, those in the anti-capitalist movement were urged to build for the IMF/World Bank meetings of 29-30th September (El-Amine and Shooter, 2001). However, the events on the 11th September at the World Trade Center and the resulting “war against terrorism” and US/UK attacks on Afghanistan weakened seriously the anti-capitalist movement. The protests in Washington against the IMF/World Bank were low-key. The general climate meant that the Left faced charges of anti-Americanism and ‘supporting terrorism’, as well as a clampdown on civil liberties and the intimidation of dissenting intellectuals on campuses and in the media, which all made anti-capitalist protests difficult – especially in the US (McLaren, 2001). Secondly, in some countries sections of the Left transformed anti-capitalist movements into anti-war ones, almost overnight – a phenomenon witnessed in the UK. There were attempts to link the anti-war and anti-capitalist strategies, but the messages were often muddled. All this suited business leaders and heads of the leading capitalist nations. An anti-war movement was much less of a threat than an anti-*capitalist* movement; the former had been experienced many times before by the ruling powers and had been seen off. An anti-capitalist movement hits at the *roots* of capitalist society; an anti-war movement addresses some of its horrific symptoms. The former points towards a strategy, the latter indicates only *reaction* (fuelled by understandable anger and moral outrage) unless incorporated within action for social transformation.

Despite debates about security risks the WTO summit in Doha in the Gulf State of Qatar went ahead last November. *The Economist* argued that the meeting and the agreement reached there were both absolutely essential to keep trade liberalisation on track, and to provide a ‘useful confidence-boosting success’ after the terrorist attacks on America and with the prospect of serious economic downturn. (Economist, 2001b). Promised world-wide protests against the Doha meeting were largely muted. As George Monbiot (2001) and Caroline Lucas (2001) indicate, the Doha meeting was bathed in much conciliatory talk regarding the interests of the world's poorer nations. However, note Monbiot and Lucas, the practical results are likely to be greater inequalities between rich and poor nations as the new trade round initiated in Doha was set up to open the markets of the latter to transnational corporations further. Meanwhile, Doha did not address the subsidies (e.g. in agriculture) that would make exports to the richer Northern countries easier (Lucas, 2001). For public services such as libraries, Doha was a stepping stone to the consolidation of the General Agreement on Trade in Services (GATS) that underpins the opening up of public services to corporate capital (Griffiths, 2001). It is to the GATS that the following section turns.

Transfiguration: and the National Faces of the GATS

Others in this issue (such as Clare Joy and Anneliese Dodds) have examined the General Agreement on Trade in Services (GATS). Hence, the task here is to provide a general analysis that seeks to link the GATS with the specifics of the business takeover of public services that is gathering speed in contemporary Britain. First of all though, the story post-Seattle shall be brought up to date regarding the GATS.

The GATS seek to open up public services to international capital. Specifically, they aim to create a 'level playing field' so that there is no discrimination against foreign corporations entering the services market. The process of trade liberalisation in services (including currently public ones) is *progressive*; it will be deepened and strengthened over time, and Part IV of the GATS Agreement makes this clear (WTO, 1994). As Tibbett (2001) argues, given the dot.com failures of the last eighteen months and the risks involved in lending to developing (and even fairly developed countries, e.g. Argentina), investors and corporations are looking intensely for new profit-making options. The billions (trillions world-wide) involved in financing public services constitutes a huge temptation for business interests, which is one reason why the GATS 'is currently top of the agenda of the WTO' (Tibbett, 2001, p.10).

The significance of the failed Seattle Ministerial Meeting in November 1999 was that WTO GATS negotiators and pro-business lobbyists had hoped to strengthen the development of the GATS – to give the Agreement more powers. As *The Economist* indicated, Seattle has 'cast a long shadow over the WTO' (Economist, 2001a). However, post-Seattle the WTO's Council for Trade in Services (CTS) got to work in Geneva very quickly to try to repair the damage. Since February 2000, a whole series of GATS negotiations have taken place. These discussions were consolidated in March 2001 through an intensive series of meetings, and there will be a final deadline of December 2002 for an agreement on a strengthened GATS process. This explains the urgency regarding privatisation of public services in the UK today. As Matheson (2000) noted:

Backed by the US and UK Governments, the WTO aims to liberalise the service sector further. The immediate impact would be the privatisation of some services that have so far been provided by governments. Governments would be obliged to sell off such services as housing, education and water. (p.9).

The drive to privatise public services is powered by a number of forces, but in terms of the GATS the urgency derives from two main considerations. First, home-grown operators need to be nurtured – and quickly – so that when a more powerful GATS process operates then UK enterprises in education, health, social services and libraries can fend off foreign corporations. This is not just because the government believes that more of the profits from these privatised public services are likely to remain in the UK but primarily because of the need to 'sell' the idea of private companies running schools, hospitals, libraries and social services to the British public. Whilst French companies might be tolerated in providing electricity or water, New Labour perceives there may be more of a problem with American or other nation's companies running schools or libraries and other services as profit-making ventures. Secondly, as George Monbiot (2002) indicates, drawing on the work of Richard Hatcher (2001), New Labour is also mightily concerned that the fledgling UK businesses currently taking over our public services can develop rapidly into export earners. This is already happening. For example, the education business Nord Anglia is already exporting its services to Russia and the Ukraine as well as running schools and local education authority services in the UK. Many UK universities have franchised operations and a whole raft of deals with other colleges and universities in other countries. UK Schools of Education generate income through consultancies that advise countries like Chile, Poland and Romania how to set up school systems. New Labour is keen to maximise this export potential across all the public services. The WTO has identified 160 service sectors, and Britain and the US would benefit particularly if the GATS could liberalise trade in services still further by incorporating currently 'public' services into their export drives. In 2000, Britain exported £67 billion worth of services, and new education, health, library, and social services business would provide 'new opportunities for this export trade to expand massively' (Tibbett, 2001, p.11). Thus, 'International businesses have now seized on service provision as a money-making opportunity' (Matheson, 2000, p.9). Furthermore notes Matheson:

GATS actually goes further than other WTO agreements - once a sector has been committed to liberalisation, governments will have limited ability to regulate companies. Proponents of the Agreement are particularly excited about an area known as 'market access', which aims to eliminate completely any government policy options that may be seen to interfere with the 'market'. (2000, p.10)

As the WTO Services Division Director David Hartridge said in a speech in 2000: '[GATS] can and will speed up the process of liberalisation and reform, and make it irreversible' (*ibid.*). Furthermore, noted Hartridge:

"Without the enormous pressure generated by the American financial services sector, particularly companies like American Express and CitiCorp, there would have been no services agreement and therefore perhaps no Uruguay Round and no WTO" (in Matheson, 2000, p.10)

The pressure from corporations on the US, British and other EU governments to deliver on the GATS is colossal. As Alysson Pollock argues: '[business] sponsors and the Treasury are clear that the future of British business rests on trading in public services on an international scale regardless of the social costs (Pollock, 2001). Pollock notes that:

UK market analysts estimate that expanding trade in public services could yield the private sector £30 billion extra revenue a year, of which £10bn is central government contracts, £5bn education and £5bn local authority contracts. De facto, the giant corporations will come to control public expenditure and public money. In the main growth area of the £5bn 'market' is equal to 20 per cent of the current wages bill in the entire education sector. (ibid.)

Finally, the leading capitalist powers (the "Quad"), driven on by major corporations and business interests, are:

...trying to revise GATS so it could be used to overturn almost any legislation governing services from national to local level. ... Particularly under threat from GATS are public services - health care, education, energy, water and sanitation... A revised GATS could give the commercial sector further access and could make existing privatisations effectively irreversible. (Sexton, 2001, p.1)

This is what the end game is for the GATS timetable in late 2002. This explains New Labour's manic urgency to push through privatisations, to provide de-regulatory frameworks (e.g. the recent Education Bill) and to nurture the growth of indigenous businesses that can virus public sector operations.

Transfiguration...

...Jesus took with him Peter, James, and John, and led them up a high mountain, where they were alone. As they looked on, a change came over Jesus, and his clothes became shining white – whiter than anyone in the world could wash them. (St. Mark, 9:2-3, The Transfiguration, 1994, p.57)

Of course, New Labour has to tread carefully. As Richard Hatcher (2001) explains, each step in the business takeover of public services has to be prepared ideologically. The public needs to be taken along with the GATS process, and any anti-GATS revolts stifled. In these circumstances, it would be foolhardy for New Labour, or any national government or the EU to introduce any *national* or specific legislation that was directly linked to the GATS in the process of meeting its requirements. This would blow the cover on the GATS. As things stand, the GATS remains non-existent or shadowy for most people in the UK – and New Labour wishes to keep it that way. Reassurances from Ministers that the GATS has nothing to do with privatising public services will provide a smokescreen.

New Labour is meeting GATS requirements and maximising UK export potential through the GATS by stealth. In each public service there are specific mechanisms, or enablers and developers of the GATS process. In relation to schools, it is Ofsted (e.g. identifying 'failing' schools and local education authorities for transfer to the private sector), the Private Finance Initiative (PFI), competitive tendering and outsourcing, and new types of schools (e.g. City Academies). Furthermore, the recent Education Bill smoothes the way for the business takeover of schools. Ruth Rikowski (this issue) indicates what these enablers and facilitators of the GATS are for libraries in England.

The point is that the GATS *transfigure* the whole landscape for the public services. New initiatives, new forms of inspections and new de-regulatory frameworks might appear to have nothing to do with the GATS – and for government this is most handy – but in fact play out its logic. As with Jesus in the Transfiguration, initiatives like Best Value, the People's Network, micropayments and Library Standards, especially when analysed as a package, *take on a new light* when looked at through the GATS. Thus, there is an urgent task for progressive and critical folk in each of the public services, and in each country, to locate the *national faces of the GATS*. We must uncover and critique the *precise mechanisms* that facilitate the GATS and smooth the way for the business takeover of public services. Then we need to pool our knowledge for campaigns to halt the capitalisation and commodification of the services that constitute a decent life and a form of civilisation worth its name.

Notes

1. This section was adapted from section 1 from *The Battle in Seattle: Its significance for education* (Rikowski, 2001a).
2. As *The Economist* notes, the WTO's budget is 'about half what the World Bank spends on travel, the WTO is the poor relation among international organisations. But it is the centre of negotiations that could have a far bigger impact on global prosperity than any decision made in more imposing buildings' (Economist, 2001a).

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Future of Global Capitalism: Millionaires Ruling the Millions

Victor Rikowski

What does the future hold for us humans, as an overall species? Judging by the way that things are going at the moment, humans will be living in a world with no inspiration, no true happiness, no justice and basically, no reason for living.

Humans are, at the moment, regarded as the dominant species of the planet, but if no one will stop the angry rage of capitalism... money will take over man. It is already starting to happen as money has already proved to be more important than life with some people. For example, the Kyoto agreement that G.W Bush did not sign. The Kyoto agreement aims to try and reduce the amount of greenhouse gases put into the air by car fumes, power stations etc. But President Bush did not agree to sign the agreement, which 186 other countries agreed to sign. President Bush said, "Signing the agreement will reduce the profits of the oil companies". In other words he is saying 'Money is more important than man.' You may think that it is a bit hasty, but global warming could result in the death of mankind, as it is causing sea levels to rise, and could eventually drown our planet in seawater. So try saying that President Bush did the right thing to your great grandchild!

This is just one of many examples where money has been regarded as more important than man, and this could greatly effect the way in which people get information. The general expectation from most people is that the government should run schools, libraries, hospitals and public services. The normal reaction from people is that if schools were being run by banks, it would just not be acceptable, let alone the fact that it probably wouldn't work anyway... so basically it would not be right. The usual reaction from someone would probably be 'it will never happen,' but the simple fact is that it is already happening.

My school (Woodbridge High School,) is already under the influence of the bank 'HSBC,' which, in my opinion is totally absurd. The bank gives my school some money and pays for certain things, but in return, my school has to show the pupils of the school some advertisements; advertising HSBC of course, and telling children of the so-called 'fantastic deals' that HSBC gives out. So basically, in the end, HSBC would win, as they get more people to join their bank, therefore making a profit. This immediately puts privatisation into my school, and although it is a very small form of privatisation, it all comes down to the very obvious fact that 'schools and privatisation cannot, and must not go together.'

The typical prediction of the future for many people is that the future will contain floating cars, classy buildings, and robots doing all of the domestic work and so on and so fourth. My prediction is that capitalism will create a tug of war with the whole world, with the few winners gaining power, money and luxury. The future is a brutal fight for power, which may sound exciting but in the end, it'll be the common poor who will suffer. It's down to the fact that as the rich get richer, the poor get poorer and the poorer people will be no

more than a number or an employee, which can easily be replaced. This prediction is already happening in the third world, where many rich, successful companies like 'Nike' and 'Reebok' are treating their workers in the Third World like slaves and giving them nothing but pennies at the end of the day.

For argument's sake, let's refer back to the topic of HSBC and my school. Let's assume that HSBC uses this method of privatisation in another school, and as a result of this privatisation their profits go up a little as children start joining their bank. While their profits go up they'll try the same method on another school and another and another, until HSBC influences hundreds of schools. Then they will move onto hospitals, then public transport services and before you know it HSBC would have overpowered the British Government in the main areas that the Government is supposed to be in control of. This may seem bad enough but of course, the rich don't stop there. They'll move onto other countries and before you know it they'll have the whole of the United Kingdom's essential public services as well as the public services of other countries in their rich hands.

If this prediction does happen, it will act like a virus, slowly spreading over Britain. When the virus has infected the whole country then companies will be able to begin to take control and when people object, the companies may use financial, legal threats, so that the poor do not have a say in anything.

In addition and on another note, what would actually happen to you as an individual if HSBC did gain this influence over people? Well firstly, as HSBC gets bigger and bigger, making more of an influence on everyday life, they would need more employees. Not only employees for the banks, but for all of the public services that they will run, such as schools, hospitals and public transport, so they would need people qualified for the jobs. Therefore they would probably reject teaching subjects in schools such as Art, Music, Religious Education and Drama, as these subjects are not used at all by HSBC employees, and they would put a lot less money towards teaching these subjects. Then they would concentrate instead, a lot more on teaching subjects such as Foreign Languages, I.T, Business Studies, Maths, Science and English, giving people far less choice with their GCSE's etc.

Indeed, many students all over Europe between the 10th-14th December 2001 have been protesting against the threatening privatisation of education. This shows that many students are fully aware of the privatisation of schools and education and if they are protesting against it, this shows, obviously, that they disagree with privatisation. Also this shows that students will not be happy if this form of privatisation remains as it is or gets worse, which I feel is a good thing as the sooner we destroy the privatisation of our public services, the sooner we stop companies controlling what pupils learn. Then the brighter hope mankind will have for the future. But in all reality... it could go either way!

I'm not a very down to earth person and I do not understand globalisation in detail as I have my GCSE's to focus on at the moment, but I greatly sense what is beginning to happen in school, education and everyday life. In my mind, I often wonder what lies in store for mankind and I realise that all you have to do is put two and two together. An example of this is just put cars and the ozone layer together, and you get winter floods and rising sea levels. Another example is that if companies get richer, then to balance it out, as money doesn't grow on trees, the poor get poorer. When you put two and two together as long as companies get more powerful the more human catastrophes will erupt and, in my mind, capitalism, privatisation, pollution and the general unwillingness of mankind to do anything about it, will lead to future devastation.

As Dave Nellist said at a conference I went to during the summer of 2000: 'Help the millions and not the millionaires.' However, global capitalism continuously says; 'Help the millionaires rules the millions,' and this has to be stopped...

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SECTION 3: The General Agreement on Trade in Services (GATS) and Libraries

Trading away basic rights: the General Agreement on Trade in Services (GATS)

Clare Joy

For a moment, ponder on the possible links between railways, department stores, radio stations, mobile phones and financial services. Add to this list libraries, medical and dental services, refuse collection, higher education and postal delivery and you've only begun to scratch the surface of the contents of a World Trade Organisation (WTO) agreement covering 160 services. Since February 2000, away from the glare of public scrutiny, trade officials have been meeting on a regular basis at the Geneva HQ of the WTO. The agenda for these meetings is to ensure more service activities, including the above, are covered by a fierce set of free trade principles. Once decisions are reached under the General Agreement on Trade in Services (GATS), government activities in the services sector that are seen to 'interfere' with trade faces the threat of WTO legal action.

We are told by supporters of the GATS (one of the keenest being the UK Government), that this agreement is simply a 'set of rules'. So what are these rules? And why do critics such as the World Development Movement believe that they are a problem because they extend the reach of international trade law into new areas covering activities such as the provision of health care, the setting up of retail stores and 'libraries, archives, museums and other cultural services'. In fact, WDM is not the only GATS-watcher to have noted this. A former Director General of the WTO noted that the agreement 'extends into areas never before recognised as trade policy'. He went on to say, "I suspect that neither governments, nor industry have yet to appreciate the full scope of these guarantees."

How does the GATS work

Challenge any GATS supporter and their response will be 'all's well with the GATS - it's a bottom-up agreement'. What they mean is participating WTO members (and there are now 144 of them) are free to decide which of their 160 service sectors are covered by the agreement's fierce free trade principles.

This is only half the GATS story. The GATS is divided into two parts. To begin with, the first part of the agreement is not 'bottom up', and its clauses apply to all 160 service sectors unless specific exemptions are made. This is what trade negotiators would call 'top-down'. However, at the agreement's core are strict free trade obligations that WTO members choose to opt services into, on a sector-by-sector basis. During the current negotiations countries will build on a list of opt-in commitments made after the last set of GATS negotiations in 1995. This means expanding the GATS by applying the heart of the agreement to ever more services.

There are two key trade principles at the core of the GATS. These two principles are designed to limit government interventions in the service sector. For example under the national treatment principle, once a government signs up a service, it could face WTO challenge if it implements legislation which favours local suppliers over foreign suppliers. This has implications when it comes to the granting of subsidies. For example, where a GATS commitment has been made, governments providing subsidies to domestic service suppliers also have to make an equivalent subsidy available to foreign providers operating in the country. This principle goes much deeper as it also threatens government action which may not obviously adversely affect foreign companies, but creates an environment which is easier for local suppliers, because of their 'local-ness' to operate within. This could be a requirement to employ local people or use local suppliers.

The opt-in aspects of the GATS are clearly the core of the agreement. The reason behind their 'bottom-up' application goes back to the Uruguay Round of trade talks (1985-1994) when GATS was hammered out and written. During these talks, developing countries strongly objected to the inclusion of services in the WTO. The bottom-up structure was crucial for their consent to the final GATS framework.

Yet all is not well, even with 'bottom-up' assurances. There is deep inequality within the WTO when it comes to levels of negotiating capacity. The majority of the WTO's members from some of the world's poorest countries do not have the negotiating might and analytical capacity of their North American and European

trading partners. The bottom-up structure works on the basis of 'request and offers'. During negotiations, countries request GATS commitments from others who subsequently make offers having considered these requests. In the current WTO set-up, there is political pressure on many developing countries to commit more of their services to the agreement. A political pressure that one European negotiator called 'a fact of life'. In addition to this, negotiators from countries like the EU and US come heavily armed with demands from their big service industries that list the services they want other countries to include in a GATS deal. Meanwhile even negotiators from large developing countries such as Brazil do not have the information to deal with these requests or know what to ask for in return.

While negotiators in Geneva are yet to enter this intense 'request-offer' phase, they have been working on general negotiating proposals which begin to indicate the big deal that European countries want from the current talks.¹ The UK Government will also be considering what it is prepared to offer in return for the requests from other countries. Even if it is bottom-up, a WTO member has to offer something. In this context, campaigners in the UK have so far raised concerns about GATS commitments in higher education and the postal service. Those in the libraries and information sectors will know that their sector could be caught in the bright beam of commercial, for-profit delivery systems. There are real questions to ask about how this could translate into GATS commitments.

There are currently no EU GATS commitments in the libraries sector. Library services are covered by *Recreational, Cultural and Sporting Services* and are listed under section C 'Libraries, archives, museums and other cultural services'. So far, the USA and 12 other countries have made GATS commitments here. However, an analysis of the GATS classification list also indicates that some sectors could be covered by GATS rules because of commitments in other sections. For example, section B of *Business Services* is 'Computer and Related Services', a GATS commitment here could affect the software and data processing aspects of library services. Under section F of this section, would a commitment to open up 'Building and Cleaning Services' impact on this area in libraries?

Many questions remain unanswered about current levels of GATS commitments and the impact that an expanded agreement could have on a wider-range of sectors. For this reason, 262 Members of the UK Parliament signed an Early Day Motion in early 2001 calling for an open discussion of GATS negotiations.

Deciphering current UK GATS commitments negotiated through the EU is a difficult task. Reading the list of GATS commitments involves engaging in a whole new language of trade and service sector-speak. You need to be a libraries/trade expert, a health/trade policy analyst, and a professional services/trade researcher. Therefore there is an urgent need for groups potentially affected by current UK GATS commitments to put pressure on the Government to issue an accessible overview which details the commitments the UK has already made to bind open market service delivery into the GATS.

Given that GATS is, in the words of its former director, an "effectively irreversible" agreement, it is surely unacceptable for negotiators to be making binding commitments, without knowing the consequences of this action. Bottom up or not.

GATS is not just a set of rules

During the 1985-1994 negotiations when GATS came into being, the agreement's inclusion in the WTO was deeply controversial. From a campaigning perspective, it was the words of the agreement's supporters that raised concerns about the expansion of a free trade deal that covers basic services. Prior to the WTO's Ministerial in Seattle in 1999, Dean O'Hare, Chair of the US Coalition of Service Industries noted that 'GATS can encourage more privatisation particularly in the field of health care.'²

If a Government commits aspects of a sector such as health to the GATS, this then sets conditions on how the government can behave towards companies operating in this sector. (The UK Government has already made some commitments in the health sector.) While GATS may not force the privatisation of basic services such as health, education or libraries, WTO members are encouraged to cement current levels of privatisation and market opening with a GATS commitment.

Where a GATS commitment is made, governments who have already or intend to privatise basic services, are then obliged to do so using the GATS framework of rules. Failure to comply means the threat of a WTO challenge. GATS give privatisation policies international legal teeth.

As groups around the world are seriously questioning the benefits of open markets in sectors such as health and education, GATS is an attempt to shut down this debate. This is an international agreement that encourages liberalisation as the general trend in basic service delivery. As international campaigns against this style of policy making increase, and some governments are reversing previous free market strategies in areas such as rail transport, water delivery and energy, the head-long pursuit of an expanded GATS with its binding mechanism is of great concern.

The 160 services covered by GATS do not only include basic services. It also includes sectors such as advertising, tourism, retail and broadcasting. While governments may not play a pivotal role in the delivery of these services, there are many instances where they are required to intervene in these sectors in order to pursue social, environmental or political objectives. For example, in New Zealand the Government's attempts to intervene in the broadcasting sector in order to fulfil an electoral commitment will conflict with its 1995 GATS commitments. This refers to the government's policy of introducing local content quotas to try and offset the problems, including poor current affairs coverage, which have resulted from liberalisation in this sector.

By committing sector to the GATS, governments are agreeing to tilt the balance of power away from themselves and their citizens and towards the needs of corporations. GATS will have an enormous impact on the ability of governments to pursue objectives in their services sector which conflict with the needs of companies trading those services.

Perhaps the biggest threat posed by GATS is the threat to democracy. Service provision and the regulation of companies in these areas are issues around which communities mobilise. Whether this is the demand for better refuse collection, or attempts to block the development of high-rise hotels. GATS means that if a government listens to the voice of its people and responds by making appropriate policy changes, where these changes adversely affect say the environmental service company or the tourist operator, then the government faces the threat of WTO action. GATS-style policies are not new. Applying commercial, open market, for-profit principles to the delivery of services has proved deeply unpopular everywhere. These policies are unpopular because a system based on ability to pay will not deliver services to those who cannot afford to pay. Until it was recently removed from its website, the WTO gave the impression of welcoming this anti-democratic aspect of GATS. In its own question and answer introduction to the Agreement, the WTO recommends GATS to pro-liberalisation governments for the political assistance it can bring them in "overcoming domestic resistance to change".

The smooth running of services as diverse as libraries, inland waterways transportation, medical and dental services, retail distribution, refuse disposal and advertising depends on a variety of government controls and mechanisms which must be based on a democratic mandate and implemented in consultation with those affected. This is precisely the kind of consultation and people-centred policy making that GATS is designed to defeat and replace with policy making based on the needs of companies anxious to expand their trade and profit margins. Yet the broad alliances, building across the diverse sectors that GATS covers is showing that the sheer breadth of this particular trade deal could be its downfall.

Notes

1. For details of negotiating proposals tabled so far: http://www.wto.org/english/tratop_e/serv_e/s_propnewnegs_e.htm
2. D. O'Hare, Chair of the Coalition on Service Industries, speaking to the House Committee on Ways and Means 'Hearing on the United States Negotiating Objectives for the WTO Seattle Ministerial Meeting', 5/8/99.

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GATS, Higher Education and Public Libraries

Anneliese Dodds

The General Agreement on Trade in Services (GATS) began in 1994 and initially covered a small range of services. Part of these talks comprised a commitment to expanding the coverage of the Agreement in years to come. Following the Seattle fiasco, the World Trade Organisation (WTO) is now describing a successful outcome of the talks (set to end in 2002) as essential for the perceived viability of its vision of globalised free trade.

The next round of talks for the GATS is due to be held in Qatar in November. The date of this ministerial meeting may be altered given the terrorist attacks in the US; at time of writing information on this was not available. Should it go ahead, a restricted number of WTO-acceptable "NGOs" will be allowed to send at most one representative to Qatar. The WTO's appellation "NGO" also covers business lobby groups; the number of civil society groups representing poorer countries are outnumbered by lobby groups for business in a ratio of about 6 to 1. Such limited representation seems bizarre for a meeting whose results may irreversibly determine the global future of social policy.

Should the meeting be postponed however, it is unlikely that work on firming up the GATS commitments will be halted for any long period of time. It is crucial that the aftermath of the horrific US attacks should not be allowed to act as a veil for the WTO's activities, which will in all eventuality continue their former course.

This article attempts to analyse the GATS in terms of its possible impact upon UK Higher Education (HE) and, to a lesser extent, the public library system. These effects appear minor compared to the possible threats to other sectors of UK education, to other UK public services, and to poor countries' social policies. However, concentration on Higher Education and public libraries allows a useful case study whilst also placing the GATS within the web of broadly neo-liberal measures developing in the sectors over the past twenty years.

WTO countries have already submitted proposals concerning the sectors they wish to see liberalised, and a "stocktaking" process for these has just finished. The European Commission (EC) has negotiated for the UK in the WTO since it was delegated fast-track authority for most service sectors in December 2000. Until the election of Leon Brittan as Trade Commissioner, EC policy was mainly directed towards protection of European Union (EU) services and industries. Pascal Lamy, the new Trade Commissioner, has however continued in Brittan's footsteps towards a big-business oriented trade policy. As the European Commission website states, "The GATS is not just something that exists between Governments. It is first and foremost an instrument for the benefit of business."¹

The main thrust of EU negotiating proposals concern water and industry, whilst the US 'prioritises' the energy and HE sectors. The current GATS round is seen by many business lobby groups as a way of expanding into new, including "politically difficult" sectors; as the US Coalition of Service Industries states, the WTO must "fully embrace important new sectors in the liberalisation effort. These new sectors...include ...existing ones that have not received sufficient attention, like education and health."²

Inclusion of a sector in WTO structures can have many effects. The US Proposal concerning HE, Adult Education and Training³ specifies a number of obstacles to free trade that it wishes a new Agreement to proscribe. These include: the "lack of an opportunity for foreign suppliers...to qualify as degree granting institutions", "measures requiring the use of a local partner", "denial of permission for private sector suppliers...to enter into and exit from joint ventures with local or non-local partners on a voluntary basis" and "minimum requirements for local hiring are (sic) disproportionately high, causing uneconomic operations". It has also been mooted that a key US negotiating proposal is to remove "discrimination" in educational services between those supplied electronically and those not.

These exemplary "obstacles" demonstrate a major problem with the WTO apparatus. Qualitative rather than quantitative language is used, which is easily manipulated. What constitutes "disproportionately high"? And whose agreement constitutes the "voluntary" agreement of, say, a publicly funded medical research laboratory to co-operate with a drugs company in a "joint venture"? Such measures coupled with the general terms of the GATS cover a wide range of regulations currently overseen by our government or by institutions to which it has delegated its authority such as the Human Fertilization and Embryology Authority. They would also cover any regulations governing, for instance, investment ceilings, professional qualifications, and the translation of foreign degrees, as well as "the existence of government monopolies and high subsidisation of local institutions."⁴

It has been maintained, for example by Mike Moore, the Director General of the WTO, that "GATS explicitly excludes services supplied by governments. True, governments can agree to allow foreign suppliers to provide private healthcare or education. But that is not the same as privatising public services."⁵ This statement is based on Article 1.3 of the GATS; that it covers "any tradable service...(except only) those supplied in the exercise of governmental authority...(i.e.) supplied neither on a commercial basis, nor in competition with one or more service suppliers".

In the UK, private University education (in the form of the University of Buckingham) coexists with public, and with tuition fees being charged it is difficult to maintain that HE is not supplied on a commercial basis (should differential top-up fees be introduced the situation would be even more clear-cut). The charges used by many libraries for particular services (book recall, hiring of music and videos, use of the Internet, etc) may also open this sector to the GATS regulations.

The specific US proposal concerning HE, Adult Education and Training will not, according to the office of the US Trade Representative, result in an eclipse of public education: "private education and training will continue to supplement, not displace, public education systems". But this is no more of an adequate guarantee than Article 1.3. Firstly, assuming (a not incontestable assumption) that the public/private mix in HE would not change from the current US ratio after 2002, it is debatable whether a move towards a US-style funding system would benefit the UK's HE system. The culture of philanthropic giving to educational institutions in the US is largely absent in the UK;⁶ so a major shortfall would result in Government cutbacks,

even given increased private funding to the US level. The only major HE institutions in the US which can afford a “needs-neutral” admissions policy are Harvard and Princeton; hardly a system based on equality of opportunity. Secondly, it is obvious that some public tertiary education and training, and library services, would still be required in the most liberalised of sectors to mop up those not seen as profitable enough by private providers; such a situation is evident in some poorer areas of the US and is hardly an attractive possibility for those forced to learn and work in such threadbare situations.

It is then maintained by defenders of the GATS that a government can exclude any sector from WTO rules. This is an unlikely option for the EU for two reasons. Firstly, most of the EU’s services are liberalised save agriculture, education and health. For commercial and political reasons it may be easier to “trade” HE in particular for access to other countries’ markets for EU businesses. As Pascal Lamy stated, “If we want to improve our own access to foreign markets then we can’t keep our protected sectors out of the sunlight. We have to be open in negotiating them all if we are going to have the material for a big deal. In the US and the EU, that means some pain in some sectors but gain in many others, and I think we both know that we are going to have to bite the bullet to get what we want”.⁷ Even should there be a delay in the Qatar ministerial meeting, the EU has already begun bilateral negotiations with the US along these lines.⁸

Secondly, the norm is inclusion, not exclusion; hence there is a built-in pro-liberalisation bias to the WTO system (progressive liberalisation year-on-year being in any case one of the GATS’ explicit goals). Hence, the US proposal referred to earlier “invites” members to “ascribe in their schedules “no limitations” on market access and national treatment, as some members already have done. Further, ... all members (should) consider undertaking additional commitments relating to regulation of this sector”.

Once HE and library services are placed under WTO control they will in effect be so forever. If a government changes its mind about a provision (or another government comes in) and a change is required, the WTO stipulates a three year gap since the provision “came into operation”, then three months notice, then substitute commitments from the government concerned that compensate for the reversal and are satisfying to all WTO members. Further, any reversal of WTO commitments must pass the so-called “necessity test” of Article X IV. This maintains that regulation must be in pursuit of a WTO-sanctioned objective (“to protect major public interests, including safety, human, plant and animal life or health, national security or public morals”- notably not literacy, learning or scientific/cultural advance), and must be the least trade restrictive method of achieving that objective.⁹

It is interesting to consider why the EU is supporting a new round, given the huge share in world trade in services which it already controls. Part of the reason appears ideological, the European Commission especially favouring an analysis such as that of Moore: “allowing foreign suppliers to compete with domestic ones lowers prices, improves quality and increases choice.”¹⁰ In the UK, broadly pro-liberalisation measures have been ongoing in education and information provision since the early eighties. One notes the advent of so-called “parentocracy” with league tables in schools offering choice to parents, the growth of the opt-out sector (dating from the 1988 Education Reform Act), Education Action Zones, business sponsorship of schools and universities and the introduction of student tuition fees. One notes in HE the development of quantitative performance indicators such as the RAE, which have resulted in increased institutional competitiveness and rivalry within and between groups of HE institutions. The current Government seems likely to follow the liberalisation route without WTO prompting; hence soundings towards religious and specialised schools versus so-called “bog-standard” comprehensive school, frequent floating of education voucher proposals, and a refusal to rule out top-up fees in universities. The other part of the reason is the immense lobbying efforts of business; a factor referred to throughout this article.

Taken in the long-term, however, such liberalisation will have very major deleterious consequences. These can be grouped according to particular “obstacles” to free trade seen in the operation of the current HE and public library systems.

Assuming all else to be equal, the requirement to subsidise public and private providers equally could result in private institutions’ funding being raised to the level of public institutions’. This is extremely unlikely given the current political climate (and in any case one might wonder why private schools for instance should benefit from the taxpayer- as in one sense they already do through lenient tax treatment as charities). More likely is that public funding will be cut back in an attempt to prevent perceived “discrimination” between public and private provision. Even given a heftier loans and scholarship system in HE (and say, discounts in the case of libraries for social security recipients), three unhelpful results would obtain. The most obvious of these is an exacerbation of the disparities in take-up of HE and of library services between the higher and lower socio-economic sectors.¹¹

The second is a decline in take-up of non-vocational courses in HE. Hence in Australia, from the introduction of the HECS system under PM John Howard through its expansion till the present day, there has been a decline in classics, anthropology and some modern languages as subjects available for degree courses.

Simultaneously law, commerce, business and IT thrive since they offer better prospects of a future career. Thirdly, the type of graduate careers themselves will be affected, as more students feel forced into commercially lucrative rather than socially useful occupations. Already many University Careers services are bankrolled by major corporations (Oxford University Careers Service, for instance, obtains 10% of its funding from a group of big-name businesses). The requirement to pay off fees will result in a move even further away from the public sector amongst graduates, especially in the case of relatively low starting-salary occupations such as teaching. Similar considerations would apply to the library services; rather than provide a balanced and exciting mix of resources for users, private institutions would focus on purchasing and lending those resources most commercially viable.

Private funding in HE and public libraries requires close regulation by Government since it may not always (or even often) be appropriate. One recalls Nottingham University's acceptance of BAT's donation of £3.8m to finance a centre for corporate social responsibility. Problems of business sponsorship of University academic research have been highlighted recently and have resulted in a number of medical journal editors who have developed a new policy in an attempt to limit the influence that companies wield over research they fund.¹²

Aside from ethical questions, the very issue of efficiency, apparently fuelling much of the GATS provisions, should point towards continued Government support for public HE and libraries. Despite generous government handouts, commercial operations, lacking the accumulated expertise and backup of the public sector, often flounder spectacularly. Buckingham University has been a notable exception, although with 75% of its students hailing from outside the UK this may be partly due to the fact that its two-year degree offers a cheaper option for paying international students. The real cost of a degree at Harvard or Yale averages three times that at Oxford or Cambridge- hardly a model to follow. It is unlikely that new information providers would prove any more efficient than the public library system, lacking its expertise and developed contacts.

Public regulation and funding also allows, albeit sometimes to a limited extent, public oversight of HE and public libraries. Alexa McDonough, the leader of Canada's National Democratic Party, has commented on this issue that the GATS constitutes "the greatest transfer of economic and political power in history... from communities and nation states into the hands of a small number of global corporations". The "commercial sensitivity" defence for decision-making opacity is common to those who have tracked the creep of public-private systems into the NHS and the education system. The GATS would allow yet more of that control to slip through the Governments' (local especially) fingers. Already public management tends to be at an artificial disadvantage in competitive tendering process for PPP projects; if such systems are seen as methods of Government regulation offering the level-playing field for GATS, it is very likely that private involvement in social policy would increase exponentially. It goes without saying that, as with PFI/PPP projects, private control of HE and library systems would probably result in worse conditions for employees. It is notable that in Australia, there has been a move away from a tenure-based system to a contractual system for many posts. This has also resulted in a marked reluctance amongst academics to criticise University policies openly.

A few final points arise concerning the public library system and the GATS. First of all, the British Library Association has long called for more permissive copyright restrictions, especially as this impacts upon the translation of works into electronic format which would allow wider distribution and use. A regulatory regime which made no differentiation between for-profit and non-profit information-providers could result in a deterioration of even the current copyright position. Secondly, commercially operated libraries may well feel less pressure to maintain independent, relatively decentralised user-led systems of procurement. It is more likely that outsourcing of collection development and cataloguing will occur if public libraries have to compete with private ones. Potentially, certain information sources could be favoured (through commercial deals, for instance in smaller libraries with one particular encyclopaedia company) in one chain of libraries rather than another. This would obviously result in impoverished and biased information provision if it occurred on a wide scale.

The UK Government has painted opponents to GATS as misled and confused rabble-rousers, when actually its own ministries display a breathtaking ignorance of WTO procedures. Indeed, no-one is sure of the potential impact of any new commitments; Pascal Lamy, the EU commissioner for trade, demanded an assessment of these at Seattle, indeed it was part of the "built-in agenda" for the GATS. Yet no assessment has been made.

Gradually awareness is building around the GATS, however. Intensive lobbying of the DTI and other government departments has been ongoing by various campaigning groups, which have now formed a "Trade Justice Coalition". Thanks to them, some MPs are now realising the threat; an early-day motion demanding an assessment of the impact of future talks has been signed by an encouraging 262 MPs at the time of writing. The National Union of Students has recently passed policy against the inclusion of HE in the

GATS. Hopefully it will articulate this through, for example, focusing on the GATS during the Party conference season, and working with other Student Union peak groups across the world. Finally, some of those Trade Unions whose members will be affected by the GATS are beginning to follow the Association of University Teachers in researching into and questioning the GATS.

In conclusion, the current system of regulation and funding for HE and public libraries is definitely not perfect. However, it does at least ensure the quality of UK degrees and teaching, and library provision and services, in a relatively fair and efficient manner. Through universities and libraries, education and learning enriches the lives of the population; creates public servants, doctors and nurses, artists, innovators, businesspeople and those who will safeguard the rule of law in our country; and ensures a citizenry with an active and critical interest in those governing their lives. Universities and libraries are simply too important to be handed over, through GATS regulation, to governance by a small number of often inept and ideologically-driven WTO bureaucrats.

Notes

1. <http://gats-info.eu.int/gats-info/g2000.p1?NEWS=bbb>
2. Robert Vastine, President, Coalition of Service Industries, Testimony before the Subcommittee on Trade of the House Committee of Ways and Means, US Congress, 8th Feb 2000
3. Available at www.ustr.gov
4. WTO Council for Trade in Services, Education Services- Background Note by the Secretariat, 23rd Sept 1998, S/C/W/49
5. Guardian, 26th Feb, 2001.
6. Dearing Commission, p.221
7. Lamy Addresses New WTO Round, speech to the US Council for International Business, New York, 8th June 2000
8. Brown, Gordon, speech in New York reported on UK Gov website, 26th July 2001
9. Gats: Fact and Fiction, WTO, March 2001, available at www.wto.org
10. Guardian, *ibid*
11. "A Proposal Concerning Top-Up Fees", which includes consideration of the access effects of a loans and scholarships system as regards one UK University, is available from the author.
12. The Washington Post, Company Drops Feud Over Aids Vaccine, 11.9.01

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SECTION 4: LIBRARIES

The Corporate Takeover of Libraries

Ruth Rikowski

1. Introduction

The expansion of capitalism is rapidly accelerating throughout the world. This is 'global capitalism'. The World Trade Organisation (WTO) and the General Agreement on Trade in Services (GATS) need to be seen within this context. These areas have been explored in other articles in this journal. GATS functions to open up public services to corporate capital. This has direct implications for libraries and information, which I shall explore in this article, focusing in particular on public libraries (although many of the arguments can be applied to other types of libraries as well). As Angela Watson in the *Best Returns* report on Best Value in public libraries says:

Government does not believe that it is in the public interest for any single supplier to dominate service provision, either locally or nationally. It is looking for variety in the way services are delivered, and a mix of service providers from the public, private and voluntary sectors. The aim is to improve the performance and competitiveness of services, not create a particular mode of provision. (2001, p.8)

Where will the logic of global capitalism take us? It would appear that it leads to the commodification of *all* that surrounds us. Within this context, the privatisation and commodification of libraries and information will be a small part in the overall trajectory; yet a vital part nonetheless.

I have been a librarian/information professional for many years and have always held that libraries, books and information are an essential ingredient of a civilised life. I imagine most people concur with this sentiment. As IFLA state in their position document on the WTO:

Libraries are a public good. They are unique social organisations dedicated to providing the broadest range of information and ideas to the public, regardless of age, religion, physical and mental health, social status, race, gender or language. ... The well being of libraries is essential in ensuring access to the full range of human expression... (2001b, p.1)

Yet, libraries as they are currently constituted are now under threat from the GATS. The other main agreement being established at the WTO, that will effect and threaten libraries and information provision is TRIPS (Agreement on Trade Related Intellectual Property). As Shrybman said:

For public sector libraries, the two most important agreements of the WTO are the Agreement on Trade Related Intellectual Property (TRIPS) and the GATS. (Shrybman, 2001)

TRIPS will not be discussed in this article, but a thorough analysis of TRIPS is also required in order to consider fully the consequences of WTO agreements for libraries and information.

1.1 The history of the public library service in Britain: a 'settlement', not a 'God-given right'

Before considering further how the public library system that is in existence today in Britain is seriously under threat, it is useful to have an appreciation and some understanding about how our current, free public library system first materialised. First of all, we need to reflect upon the fact that the population of Britain has only been widely literate for just over 100 years, following the 1870 Education Act. The concept of free libraries available to all was first developed in the Public Library Act of 1850 (Pateman, 1999). As stated by the British Council:

The UK has a long tradition of free, public access libraries that was first recognised legally by the Public Libraries Act of 1850. (British Council, 1999, p.2)

Furthermore, Chris Smith, British Secretary of State for Culture, Media and Sport wrote in *The Bookseller*, 29th May 1998 saying:

Our public library system is one of our great national resources. For more than a century it has provided ordinary people with the opportunity to explore, enjoy and learn from the nation's vast storehouse of information and knowledge. (Smith in British Council, 1999, p.1)

Further legislation for developing a public library system followed with the 1855 and the 1919 Public Library Acts (the former Act raising the rate levied for libraries to a full penny). As Manley said:

The 1850 Act was relaxed by the 1855 Act, which brought in the famous penny rate, lowered the minimum population to 5000, and allowed adoptions at a public meeting rather than after a poll of ratepayers... (Manley, 2001, p.210)

Manley also noted the confusion over the word 'free' in these acts. As he pointed out:

One more failing of the 1850 Act, and its 1855 successor, was the confusion over how 'free' were public libraries. Libraries were always to be free of access, but the rate limit meant that many small authorities could barely keep their libraries afloat. In consequence, many libraries charged fees for borrowing books, just like a private subscription or circulating library. (2001, p.211)

Andrew Carnegie, however, was clear about the necessity of 'free libraries'. He stated:

I choose free libraries as the best agencies for improving the masses of the people, because they give nothing for nothing...They reach the aspiring and open to these chief treasures of the world – those stored up in books. (Carnegie, 1900, cited in Bennahum, 1995, p.3)

Furthermore, as David Bennahum has noted:

When Andrew Carnegie wrote "free libraries" he understood that essential adjective was the essence of a library. If a library isn't free, it just isn't a library. (Bennahum, 1995, p.3)

Sarah Ormes also emphasised that '...Carnegie's libraries encouraged literacy for free...' (1996, p.3)

With the 1964 Public Library and Museums Act it became compulsory for local authorities to provide a public library service, and today public libraries are a taken-for-granted aspect of social life in Britain. Referring to the local authorities and the 1964 Act, the British Council said that:

Under the terms of the Public Libraries and Museums Act 1964, all of these authorities are obliged "to provide a comprehensive and efficient library service for all persons wishing to make use thereof". (British Council, 1999, p.3)

Interestingly, the recent Local Government Act 1999 has placed a duty on local authorities in regard to Best Value (see below for further information on Best Value). Best Value is affecting our libraries substantially.

However, there was much opposition to the idea of a publicly funded library system when it was first introduced in the 1850s. As Manley points out:

We may regard public libraries as a social necessity (especially if we are librarians!), but that was far from obvious in the 1850s. Why should people be forced to pay taxes for a service many might not wish to share? People could appreciate the immediate benefits of public baths, washhouses, sewerage, street lighting, and paving, but libraries were more abstract. To the Conservative frame of mind, public libraries smacked of what we would now term communism. Public libraries – with newspaper reading rooms – were perceived as seeds that were liable to germinate into hot-beds of sedition... the Conservatives were hardly likely to support measures which might stoke the fires of further revolutionary fervour. (2001, p.206)

Similarly, people today expect a free education system and the length of the working week to be limited (the European Union 48-hour working week directive). Yet these are not laws of nature; they are not 'God-given rights'. Virtually all of the 'rights' that ordinary people have today have been hard fought for in the past. As Karl Marx said in regard to the length of the working day and the health of the labourer:

...Capital is reckless of the health or length of life of the labourer, unless under compulsion from society... To the outcry as to the physical and mental degradation, the premature death, the torture of over-work it answers: Ought these to trouble us since they increase our profits? ... The establishment of the normal working-day is the result of centuries of struggle between capitalist and labourer. (Marx, 1867, p.256)

Continuing his argument, Marx concludes that:

The creation of a normal working-day is, therefore, the product of a protracted civil war, more or less dissembled, between the capitalist class and the working-class. (Marx, 1867, p.283)

Interestingly, Manley (2001) also refers to the long hours worked in the mid-nineteenth century, and relates this to libraries noting that:

...Spooner drew attention to the long hours worked by labourers (the Ten-Hour Act had not yet been passed), and how difficult it would be for them to attend a library. He feared that lectures in libraries might be converted into normal schools of agitation... (p.208)

Thus, all these so-called 'rights' have been hard fought for, in various ways by the working class. The suffragettes, the Chartists and the trade union movement are all clear examples of the struggles that the working class have undertaken. Furthermore, if it seems that ordinary people need to be contained then so-called 'concessions' are sometimes made. John Pateman (1999), for example, has pointed out that public libraries were largely set up to act as agents of social control originally, and quotes Adonis and Pollard (1997) who noted that the Victorians and Edwardians:

...established municipal museums and libraries...in an explicit attempt by legislators and town worthies to offer an improving alternative to working class amusements such as drinking. (Adonis and Pollard, 1997)

Interestingly, it seems that many ordinary people did not actually want a public library service in the nineteenth century. As Manley wrote:

As for the general public, they were not clamouring for public libraries. Indeed, it has been argued that the working class were against public libraries because of its implications of social control by the Government. The workers could read newspapers in public houses, just the sort of activity... others wanted to stamp out and replace with moral regulation. (2001, p.208)

Many working class activists and leaders were concerned to establish social spaces where they could think and read and develop their ideas independently of the influence and outlook of both employers and the State. Working class people were establishing various institutions such as the Mechanics and Miners Institutes, and libraries were being created in these institutions for working class learning. As Baggs noted in reference to the South Wales valleys:

The Library article of 1896 described approximately thirty libraries or reading rooms that had already opened in various large, medium and small mining communities in the Valleys mainly during the 1880s and 1890s. Many were associated with Workmen's Halls or Miners' Institutes. (2001, p.172)

Furthermore, many of these institutions did not want to open up their libraries to the general public. As Baggs indicates:

Miners were already paying poundage; why should they also pay extra rates merely to open up their Institutes to the general public? By 1914, the South Wales Institutes had developed a singular pattern of library provision. A few locations had public library services, but the vast majority of mining communities had created their own reading opportunities, self-organized, self-financed and self-run. There was some interaction between the two systems. (2001, p.173)

Workers feared that their capacity for independent thought and learning would be compromised by state-funded libraries, whilst at the same time costing them more money as they paid for their own libraries and also those run by local authorities through local taxation. Later on Baggs also tells us that:

In many respects, Institute libraries outperformed their public library rivals... Most importantly these Institutes and their libraries were directly owned, managed and financed by the community. They represented the physical manifestation of a socialistic ideology of active mutual responsibility; local democratically controlled collective institutions far removed from the 'community' of municipal provision. (2001, p.174)

Thus, it was thought that these Institutes and their libraries could have been one of the breeding grounds for socialism. For the Establishment, this could not be allowed to happen and gradually the system was reformed such that these 'dangers' were contained. The Institute libraries suffered from increasing and debilitating financial problems. The State could have tried to assist them with these problems, but instead was more interested in forming a public library service that dulled radical, creative and independent impulses. For a while the Institute libraries tried to operate alongside the public libraries in a spirit of 'co-operation'. However, by 1939:

...all the ingredients were in position for the eventual triumph of rate supported library provision. Numerous Institute libraries still functioned, but it was often in name only, and with very few exceptions, they proved no match for the public library alternatives after 1945, with their better finance, greater resources and increasingly professional approach. (Baggs, 2001, p.177)

However, Baggs noted that this came at a severe price – the loss of the 'community sense' that had been established long and hard by the Institutes and their libraries, along with the hard work and money that they had invested in it all.

From an Establishment perspective, material in the public libraries could be carefully selected, and in this way people's reading habits could be 'adjusted' and policed. This probably became more important after the 1870 Education Act, as ordinary people became increasingly literate and the threat posed by socialism had to be more carefully contained. Thus, interestingly enough it is the *struggles* of working class people that brought about changes in their conditions – in this case the setting up public library services – that eventually came to divert struggles for further progressive social change. Yet all this resulted in the setting up of the public library service that we all now take for granted which many of us benefit from and appreciate. This historical analysis demonstrates two vital points. First, it is clear that our public library service does not arise from some 'natural God-given right' to information and reading (but from struggle and contestation). Secondly, our public library system emerged from attempts at independent working class learning and politics that had to be suppressed and diverted into safe arenas. This is the nature of the settlement founding our public library service in Britain.

1.2 Global capital infiltrating libraries and information; the national faces of the GATS and accusations of scare mongering

Today, however, the historic settlement over the role and significance of the UK public library system is under threat from neoliberal modernisation: the opening up of public libraries to corporate capital and international trade. The commodification of information and knowledge are currently being ratcheted up several notches as businesses seek out new avenues for profit making. This article focuses on uncovering these developments that herald a new horizon for all those concerned with information and libraries: the horizon of capital.

This article incorporates themes, such as micropayments, Best Value, the People's Network, and the position of various national and international library associations on the WTO and the GATS. However, the essential point is to demonstrate how the *logic* of capitalism leads to the corporate takeover of libraries and

information. What is *crucial* is to illuminate on why the logic of the GATS will engender the commercialisation, commodification and privatisation of information and library services globally. Thus, the GATS can be viewed as an element of the global capitalist agenda. This is why the quote below from Richard Caborn MP, which was an endeavour to reassure us, is in fact no reassurance at all. Caborn, the then Trade Minister, wrote to the *Library Association Record* on 8th March 2001 saying that:

As a major global exporter of services, the UK strongly supports the GATS negotiations and their objective of progressive liberalisation of trade in a fair and predictable way. Despite stories to the contrary, there will be no forced privatisation of libraries or the NHS as a result of the GATS.

Of course, there will be no forced privatisation of libraries in the *name* of the GATS. There will be no GATS Libraries Bill or White Paper here in Britain. Rather, the argument here is that for each WTO member nation, and for each public service, there will be *national faces of the GATS* – legislation and mechanisms that facilitate the opening up of public services to corporate capital. The key task is to show what these are for public libraries in contemporary Britain. This is what I outline in this article, focusing on Best Value, Library Standards and the People's Network.

However, it is concerning that attempts are continually made to criticise, belittle or denigrate those of us who are critical of mundane capitalist development. The Caborn quote is one such example, suggesting that GATS critics are scare mongering. But in many ways the case against the GATS is being understated, and this is clearest when links are made between what the GATS stands for and the national mechanisms for facilitating and embedding corporate penetration of public services. In relation to libraries, this point can be illustrated with reference to Angela Watson's *Best Returns* report on Best Value, where she notes:

Under Best Value retaining library services in-house can only be justified where the authority demonstrates that there really are no other more efficient and effective ways of delivering the quality of service required. Library authorities should also explore potential future providers and take steps to encourage them to create a climate for competition to enable the market to develop. (Watson, 2001, p.9)

Best Value becomes a Trojan horse for the national reconfiguration of a public service for the interests of corporate capital: in this case, libraries in England. With access to official statements like this, scare mongering becomes a non-issue; we are being asked to consider a future where library services become a commodity in an information market and where libraries operate in this market place. Of course, it could be argued that there is nothing intrinsically wrong with developing an information market in this way. Indeed, some would say – such as Christopher Roberts, Chairman of the Committee on Liberalisation of Trade in Services, London (BBC, 2001) – that the GATS helps to strengthen world trade in services and hence increases prosperity for UK service exporters and wealth creation generally.¹ The GATS might be beneficial for certain businesses in particular countries, but this misses the point. It is founded on the expansion of capital accumulation; not on human information, education and recreation needs for social justice and sustainable development. On the latter considerations, libraries are a 'public good' (IFLA, 2001b).

I was recently on a BBC Radio 4 programme, *You and Yours* (BBC, 2001), talking about the GATS and libraries, where I spoke about the threat the GATS poses to our public library service. However, the examples I gave to illustrate this were omitted in the broadcast, and only a general statement about the privatisation of libraries was included – giving the impression that perhaps I had no evidence to back up my claims, and that I was creating a scare story. Furthermore, it is interesting to note that the day before the programme (on 16th October) Tony Blair spoke at the British Library about the public services. He referred to the possibility of the voluntary sector moving into some areas of our public services, saying:

In developing a greater choice of provider, the private and voluntary sectors can play a role. Contrary to myth, no one has ever suggested they are the answer, or that they should replace the public services. But where greater use of them can improve public services, nothing should stand in the way. If primary care trusts, or regional health directors, want to use private sector capacity or do innovative deals with private or voluntary sectors to help patients, they should be free to do so. Or if schools want a new relationship with business in their community, as many do, let them. (Wintour, 2001)

Thus, Blair seems to be suggesting that critics are scare mongering and that really, the route opened up by the GATS gives everyone lots of choice and is going to provide wonderful opportunities. It is very doubtful whether this would be the outcome, but even if it was, this misses the point. As already stated, the motivation behind the GATS is to facilitate the development of markets and competition. Improving public services, if it were to happen at all in the short-term, would just be a by-product - used as a tool to encourage people to happily accept privatisation. Providing a service for the public good would lessen as the private sector takes a stronger hold and the profit motive increases in importance. Also, in referring to the voluntary sector in this way, accusations that the private sector will 'take over' our public services can be undermined – as indeed,

this statement implicitly undermines what I said on the 'You and Yours' radio programme (BBC, 2001) the day after. I argued that, at the end of the day, private companies are likely to be running our libraries in order to make profits (and I did not mention the voluntary sector). Initially, the suggestion that the voluntary sector could play an active part is a powerful and perhaps, an appealing one. However, voluntary organisations, trusts and charities can easily change and become private companies, as I discuss in an article that I wrote on the GATS for *Managing Information* (Rikowski, 2001). Such organisations could easily become private companies if it was thought to be to their advantage at a later date, and they can hit adequate profit levels. Indeed, the private sector will only move in when it is seen to be to their advantage and some private companies have pulled out of public service projects when they have decided that it is not commercially viable. The Heart Hospital in central London, for example, was re-nationalised and sold back to the government because it was in financial difficulty (Allison, 2001). Once again, this expresses the essence of the workings of the capitalist system. It is important to uncover the ideological force that is driving particular situations.

1.3 The GATS and the interpretation of 'Services'

How then, can we illustrate that the corporate takeover of libraries is on the agenda and indeed, is already taking place? The corporate takeover of libraries can be placed within three distinct categories: – commercialisation, privatisation and capitalisation, and these will be considered below. All three areas can help to fulfil the fundamental aims of the GATS – which in essence, is the opening up the public services to capital (see the articles under the section on the GATS in this issue, for further information). However, some would argue that our public services are not covered under the GATS. Lord Newby, for example, argued in the 'You and Yours' radio programme (BBC, 2001) that our public services are not covered under the GATS, and he said that:

My understanding is that services provided by government...by the public sector, the GATS Agreement as it currently stands, are not covered. (BBC, 2001)

However, if one reads the GATS (1994) document carefully, it is very ambiguous, to say the least, as to whether public services are included or not (Rikowski, 2001). 'Services' are defined in the GATS Agreement in Part 1 Article 1, on *Scope and Definition*' and in point (b), in the following way:

...“services” includes any service in any sector except services supplied in the exercise of governmental authority. (WTO, 1995)

Furthermore, Part 1 Article1(c) of the GATS Agreement indicates:

...a “service” supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

But this *includes* almost all public services; few public services have *no* element of competition today. In a document issued by the Trade Policy Directorate on 7th March this year it was argued that:

The GATS excludes from its coverage any service supplied in the exercise of governmental authority. Such services are those “which [are] supplied neither on a commercial basis, nor in competition with one or more service suppliers.” Our interpretation (and that of the WTO Secretariat) is that this excludes public services such as health and education services (although private services would be covered by the GATS)... However, since the terms have not been tested in WTO jurisprudence, some commentators have suggested that the GATS poses a risk to state provision of these services. We do not believe these fears are justified. (Trade Policy Directorate, 2001)

Under this statement it appears that we are reliant on interpretations of what 'services' means under the GATS. Yet one possible interpretation could be that virtually all our public services would be included under the GATS. It is, to say the least, ambivalent.

2. The corporate takeover of libraries: commercialisation, privatisation and capitalisation

There are three interrelated aspects of the corporate takeover of libraries in England as driven by the GATS: commercialisation, privatisation and capitalisation. Sub-divisions within these can also be identified. All this will now be explored in some detail, followed by examples of where these developments are already occurring in libraries and information.

First, there is **commercialisation**. This can be broken down into four distinct sub-divisions. First of all, there is the creation of markets or quasi-markets in libraries. A second aspect of library commercialisation is that

the library is viewed as a site for selling products and services, and this process is already well underway, with notions of income streams and income generation already well established.

The third sub-division is where libraries are viewed by private enterprises as sites for the promotion of their products: advertising, public relations exercises and product promotions are the primary mechanisms here. Private companies could rent out a small part of a library, for example, provide a 'service' and in this way advertise themselves. This third aspect of commercialisation links with the first, and the creation of a library service market means that individual libraries or chains of libraries, even library services within a still public library field, are forced to *compete*. This last element of competition points towards 'library league tables' as with schools and now hospitals and police services. As already indicated, this competitive environment is already being created, under 'Best Value'. Libraries are being forced to compete against each other (like schools and colleges) and an inspection regime (i.e. Best Value Inspections) will enforce competition as a core value. The aim within the library standards, for example, is to get all public library services into the top 25%, although this is clearly a logical impossibility. There are four 'Best Value' principles enshrined in the Best Value Guidance for librarians in England known as the '4Cs', and one of these '4Cs' is 'Challenge' and,

Challenge is intrinsically linked with competition (Best Value Guidance for Libraries in England, Watson, 2001, para 5.1)

Under 'Compete' (another of Best Value's '4 Cs') it refers to the creation of a market:

Library authorities should also explore potential future providers and take steps to encourage them to create a climate for competition that will enable the market to develop. (Watson, 2001, para 5.1)

The '4Cs' will be expanded on under the section on Best Value, but what is clear at this stage is that a market in library services is being nurtured by the Best Value regime. This market is a necessary condition for the opening up of public library services to corporate capital. The overall vision for this is GATS-inspired. Making these links is crucial.

The fourth form of commercialisation involves 'extraction'. Here, libraries can be used as sites for extracting money (and this money can then be distributed to various private companies), which in turn helps to provide investment and thus to ensure the continued success of global capitalism. Micropayments (small payments for Internet use) will be discussed later in this context.

The second aspect of the corporate takeover of libraries is **Privatisation** – and this and this can be sub-divided into three main forms. Firstly, libraries can be run for profits *directly*, with up-front charges for core services. This could involve privatisation of a complete library service, or parts of a library service. This will not happen in any significant way in the short-term, as not enough money can currently be made out of libraries, but it could happen in the long-term, when the 'market is ripe'. This would occur after various changes have taken effect. For example, voluntary organisations running public library services in the short-term and turning themselves into for-profit organisations in the long-term and the introduction of micropayment schemes on the Internet, when it is possible to obtain significant amounts of money from people undertaking transactions in libraries on the Internet.

A second form of privatisation involves companies making profits out of running libraries at a lower cost than the price they are contracted to run them. They might also develop new product lines, and engage in outsourcing and sub-contracting in order to make profits. This is the Government's preferred form of privatisation at the current time, as they can then still claim that library services are basically in the 'public' sector.

The third form is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The Private Finance Initiative (PFI) comes under this category.

The third category of the corporate takeover of libraries is **Capitalisation**. Here, libraries are viewed as sites of capital accumulation and profit making. The capitalisation of libraries means that the other two processes – commercialisation and privatisation – are brought together to ensure that libraries and library services and operations become *commodified* (they can be bought and sold) and library services are established with profit making as primary directive and goal. Secondly, library enterprises become traded and enter into the humdrum world of the stock and futures markets. Thirdly, and most fundamentally, capitalisation involves a *process* whereby labour comes to take on a specific social form such that it is geared up to creating value and profit, with consequences for de-professionalisation and the recomposition of skills and responsibilities. This leads to endless library reviews and re-designation of jobs that function to smooth the way for the various forms of commercialisation and privatisation of library services.

The three aspects of the corporate takeover of libraries, with examples, are addressed in detail below. Collectively, they add up to a new library experience – for library and information users and library and

information workers. This is an experience shaped by the forces of capital: the value form of labour, markets, library enterprises and the profit making process.

2.1 Commercialisation - examples

a. Market research approaches to library users and the creation of markets

The market research approach falls under the first form of commercialisation referred to above – the **creation of markets or quasi-markets**. In this scenario, library users are transformed into ‘consumers’ and market research is undertaken in order to gather information on library and information consumers’ wants, needs and their potential future wants and needs. Capitalism is also excellent at persuading people that they want things that they had never even thought about before.

Helen Weiss provides a powerful example here, when she discusses the development of strategies to obtain more information about borrowers wants and needs in the *Library Association Record* (August 2000). She describes how management information systems can help libraries adapt commercial marketing techniques to revolutionise their service. She speaks about supermarket loyalty cards, which are used to analyse spending patterns and then suggests that, perhaps, borrowers lending cards could be developed in the same sort of way. Southwark Council is using TALIS to generate management information that will help them to identify the characteristics of users and predict their future needs. Adrian Olsen, Head of Southwark Council’s Library Service noted that:

Having access to this sort of data gives us greater confidence that the products and services we are investing in will be fully utilised. With more and more libraries looking to broaden their appeal and offer Best Value the use of library management systems can be a major tool in measuring and improvement effectiveness. (Cited in Weiss, 2000, p.448)

Thus, there could be information about the borrower inserted on their library card, outlining some facts and characteristics about the user that could provide indicators about their future product wants and needs. Users’ library cards could contain information similar to that currently included on supermarket loyalty cards. Of course, some may argue that this mechanism is benign and gives librarians more information about user needs and desires. However, once this is in place its purpose can easily be shifted into a competitive market scenario, particularly if, in the future, the library supplier is a private company and not the local authority. In this situation, library users would then become ‘consumers’ (or customers), and could be treated similarly to supermarket customers. For example, information about business students in the local community could be obtained and the central library could then purchase business journals, textbooks and databases that are applicable to their particular needs. A separate business section could be established in the central library and business students could then be “invited” into this section for a small fee. This form of commercialisation could also occur even if the library was still under local authority control. The model could be extended if the information was sold on to third parties, and they might then use it for mail shots and other marketing initiatives. Of course, the Data Protection Act curtails the passing on of this information. Yet once a private operator is running the library (or a chain of libraries) then the temptation to find ways around the data protection laws increases as the profit motive, rather than public good or public service values, becomes the dominant drive underpinning the service’s operations. Once such a scenario is operational efforts could then be made to try to anticipate business students future wants and needs and, indeed, to help to shape and create these wants and needs. They could be persuaded, for example, that belonging to a nearby law library for a small fee is crucial to their needs. This law library could happen to be run by the same organisation running the business library (whether this be a private company running the two libraries on its own, or a private company running them in conjunction with the local authority or with a voluntary organisation etc.). In this way, the private company starts to expand its business.

b. Income generation

Income generation falls under the second aspect of commercialisation in libraries, as described above. Income generation has been in existence for a number of years, and is gathering pace. Most librarians are very familiar with this. It includes selling items such as postcards, memorabilia, bookmarks, pens and other stationery items. Certain materials are also hired out for a fee (such as videos, cassettes and CDs). This was certainly happening when I was working in the London Borough of Newham, particularly in the early 1990s. However, the recent Education Bill indicates how much further the process could go. Estelle Morris, Education Secretary, supports clauses in the Education Bill that aim to set schools up as post offices and sellers of a range of stationery products. In turn, with the creeping privatisation of post offices we witness profit-making operators taking over increasing areas of floor space. My local post office, the Ilford Post

Office, for example, has taken on Partners to operate a stationery outlet. A similar fate for libraries can be readily envisaged.

c. Companies 'benevolently' investing in libraries?

On first consideration, it might appear that there are no examples of private enterprises **advertising and promoting** their products in libraries. Companies are not currently allowed to advertise blatantly in places such as libraries and schools. However, this *is* starting to happen in a subtle way. Bill Gates, for example, from the Bill and Melinda Gates Foundation has given £2.6 million to UK public libraries for the creation of ICT learning centres in deprived areas. This is being used to expand the People's Network. (Resource, 2001c). Bill Gates does not need to display big Microsoft posters in these ICT learning centres in order to promote Microsoft. Microsoft and Bill Gates are well known too much of the population already. This will place Bill Gates in a very favourable light – Bill Gates giving money to deprived areas, Bill Gates wanting to help the poor people, Bill Gates wanting to do something about the digital divide – the 'haves' and the 'have nots' in the IT world. Thus, Microsoft, a large business corporation is being promoted in our public libraries.

Secondly, in some of our public libraries IT centres are being set up by private companies within the libraries themselves and some are running training courses in IT – they can be allocated a small room within a large central library, for example. There will be no big posters on the door advertising the company, but there will be a small sign outlining who is sponsoring the centre. In this way, the company is being advertised. Library users will probably find the centre very beneficial, thus providing the opportunity for the company to expand and develop this at a later date.

It is also interesting to note that private companies are moving into schools in this way as well. Victor Rikowski, in his article in this issue describes how the HSBC is involved in his school. HSBC has sponsored the school and is now able to try to persuade children at the school to join the bank.

d. Micropayments

Micropayments can become another form of library commercialisation, and this is in the form of **extraction**. For some time now, various parties have been trying to think of ways in which money can be made from searching and undertaking transactions on the Internet. Micropayments is seen to be the solution. Basically, this means that people pay small amounts of money (which can be as little as 0.1p) for undertaking transactions on the Internet. There are various definitions of micropayments. W3C (und.), for example, refers to micropayments, noting that: 'Micropayments have to be suitable for the sale of non-tangible goods over the Internet' (p.3).

However, there have been various problems with bringing in such payment systems (see Shirky, 2000 and Crocker, 1999 – Crocker was one of the founders of CyberCash which was a micropayment system that failed). Mechanisms for payments are complex, and there are problems such as security and trust that have, so far, been prohibitive. However, the White Paper on Micropayments drafted by StorageTek (2001b) is a significant and revealing document. It says that most of the problems have now been overcome and that various options are now being set in place to make it easy for people to pay for undertaking searches on the Internet. David Slater, the Marketing Manager of StorageTek spoke about the White Paper saying that:

Over the next eighteen months one of the most significant obstacles to making money from the Internet will be overcome. The lack of a trusted, cost-effective and convenient mechanism for users to pay for low value products and services has been one of the main reasons for the Internet's failure to deliver the online revenue envisaged. Micro-payments – typically for transactions between \$0.10 and \$20 – provide this missing link... Content owners, merchants, hosting companies, network operators and financial institutions all need to be aware of the opportunities and threats that micro-billing presents. This White Paper looks at how companies (and individuals) will generate revenue from micro-payments, what the options and obstacles are, who the early movers are in the market and how a micro-billing capability could be implemented. (David Slater, Marketing Manager, StorageTek, 2001a, Executive Summary, p.1)

Note, in particular, the 18-month time scale here – the hope being that mechanisms for making money through transactions on the Internet will be in place within this period of time (by the end of 2002), so that it coincides with the GATS timetable. The GATS timetable has been laid out clearly by the World Development Movement (adapted from Sinclair, 2000). The timetable shows how the GATS 2000 negotiations began in Geneva in February 2000. In December 2000 the US started to request service liberalisation from various other countries and in March 2001 trade negotiators in Geneva started work on a package with the aim of

subjecting more services to WTO rules. The end of 2002 is when the US hopes to conclude all these GATS negotiations.

What implications, then, does micropayments yield for libraries and information? The concept of micropayments directly runs counter to the concept of the free flow of information. As stated in 'Rethinking Micropayments':

The problem with micropayments, as traditionally conceived, is that they conflict with the free flow of information, which is essential if intellectual 'property' is to be noticed on the web. Other problems include lack of standards, and the creation of a whole new set of have-nots, e.g. are libraries going to pay for disadvantaged kids to surf the net? (Oja Jay, 2000, p.1)

Another possibility is that people might use libraries less, because if they have to pay for their transactions on the Internet, wherever they are, then they might choose options other than libraries. Worden (1998) outlines this scenario, and he says:

With trusted systems in place one could envision a pay-per-print system, which eliminates the risk that makes consumers wary about paying for information they may not be able to use... As more and more users turn to the Web as their primary source of news information, one can expect a shift away from libraries and other traditional research venues to the convenience of a low cost alternative at home (p.6).

If people use libraries less in this way it could clearly have many repercussions. For example, it may lessen the availability of books and other sources of information for users. Library users would lose the benefit of the rich range of information sources that are available in the library but are not present at home. However, at this juncture I do not wish to go into the debate about whether people would be more likely to use the Internet at home rather than in their library, in the future. Significantly, what is implicit in Worden's quote is that libraries will be paying for transactions on the Internet and these payments will probably be made by the library service (be it private sector, voluntary sector or local authority) rather than individual users. Certainly, companies operating micropayments systems will not be happy with people paying to use the Internet at home, yet exempt from such payments in libraries. If such exemptions could be introduced then the opposite scenario to the one envisaged by Worden might materialise. That is, people might use the library for their Internet transactions rather than stay at home and surf. In which case, all the hard work that has gone into trying to introduce micropayments would be undermined, with predictable complaints to the Department of Trade and Industry from companies hit by this outcome. At a deeper level, it would seem that exemptions for libraries from micropayments constitutes a 'barrier to trade' under the WTO's GATS Agreement, and private corporations could seek to overturn such exemption rules as the GATS-inspired trade liberalisation regime takes increasing hold of the service sector. If library services are forced to engage with micropayments then they will need to recoup their money in some way, either through local authority subsidy for micropayments (which in theory also contravenes GATS rules) or by user subscription, or user direct payment. In my radio interview (BBC, 2001) I hinted at direct payments, but in reality this mechanism would probably be too cumbersome, so the subscription option may be the preferred choice – with all the consequences for differential payments and exemptions for those on benefits or low incomes.

More generally, micropayments poses a significant threat to information flowing freely, one of the main components for an open and democratic society. Access to information and an informed public are vital checks on the operations and power of governments and corporations. The importance of public scrutiny regarding corporate and government policy cannot be overstated. Both require constant monitoring if the notions of public good and public interest are to have real and substantive meaning. Micropayments, viewed as opportunities for profit making, entail the limitation of access to information on condition of payment. As StorageTek (2001b) note:

Online products such as data are becoming a commodity, so why not... charge a small fee for them? (p.17) ...[And furthermore]... also driving the need for micropayments are web content publishers and information providers. With content being their main product, micropayments provide a huge opportunity to charge for information (p.3) ... In the hope of making money, and aided by the current rollout of Internet broadband technology in most European countries, new content providers will emerge, offering more innovative use of content and charging a fee for it (p.20).

This last point from StorageTek heralds a situation where some vital information will only be available when accessed by micropayments. This sets up a new digital divide between those who can afford some of the more expensive items that can only be accessed by micropayments and those that cannot. This overlays the conventional definition of the digital divide between those who have access and know how to use information technology and those that do not. Hence, micropayments brings with it a *double* digital divide.

Amusingly, both micropayments and Best Value have '4 Cs' as underpinning principles. In micropayments there are four key elements that are essential to achieving net profits. These are:

- **Collection**
- **Convergence**
- **Convenience**, and
- **Content**

Collection is involved in particular with new innovations in e-payments and convenient online payment methods. Traditional online payment providers, such as banks and credit card networks are losing their share of the market to Person-to-Person (P2P) payment providers. Convergence implies that payment service providers (PSPs) are becoming the next generation of banks. The traditional banking sector will become virtual telecommunications companies, and telecommunications companies will become banks. Thus:

Everyone's main goal: to own the customer, the online experience and maximise profit. (StorageTek, 2001b, p.3)

Convenience refers to considering and developing a range of convenient online payment methods. In particular, the concept of convenience focuses on new technologies and payment models that would change consumer-spending habits. Credit cards are not seen as being very convenient payment methods. They cannot handle very small payments, for example, and are not available to under-18 year olds. Thus, different payment methods are being explored such as smart cards and methods through mobile devices (such as mobile phones). Sally Rumsey (1999) alerts us to some of the experiments and trials that are being undertaken in this field. She reports on the TOLIMAC – Total Library Management Concept – an electronic documentary delivery service that uses a smart card for enabling users to pay for secure access to specific articles on the Internet.

In the micropayments world it is held that 'convenience will drive business' (StorageTek, 2001b, p.3.). Content is significant to the extent that it enables and generates micropayment opportunities. Thus, content that either cannot be charged for, or for which customers are unwilling to pay, is unacceptable in the world of micropayments. Furthermore, high quality content that generates payment encourages customers to click onto the next page – for which an additional charge can be made. Thus, for StorageTek: 'The more clicks, the greater the number of transactions, the more revenue will be generated' (2001a, p.3).

Micro-payments will be introduced, first stealthily as proponents fear public backlash to such payments, and then (if such backlash is muted) with significantly greater speed and force. Currently, EU legislation is being standardised which will ease the process. Furthermore, the UK's eventual entry into the Euro will address many of the tax and standardisation of payment issues generated by micropayments. Dealing with a large number of different currencies clearly complicates the matter and makes it more difficult to implement micro-payments effectively. This is another reason why the current New Labour government is so enthusiastic about introducing the Euro. Furthermore, efforts are being made to make micropayments user friendly and easier to deal with. Microsoft has been developing work on this with a smart card initiative. As Worden writes:

If Microsoft can successfully link its smart card business to its increasingly popular Windows suite of programs, then micropayments may be able to reach a critical enough mass for network effects to begin. (1998, p.4)

Worden notes that companies like BT and Digital Equipment Corporation have invested millions in micropayment trials. However, many of these various micropayment systems have not been very successful so far, but now the situation is starting to change, particularly as different technological forces converge, such as web TV, cheap network computers and smart cards holding digital cash.

There are also many examples of where micropayments have been introduced and used. A number of these have been outlined by StorageTek in its White Paper. The New York Times, for example, has implemented a micropayment solution to charge small fees to enable users to access past articles from the newspaper online. Also, FT.com (the online version of the Financial Times) has changed its position in regard to free access to its content and Napster, the music service, has been forced to introduce a micro-payment system after a court ruling prevented the free distribution of copyrighted music on the Internet. Cybergold (Crocker, 1999) and MyPoints, interestingly, offer 'reverse' micropayments. With this scheme the customer is rewarded with points that can be exchanged for products and services for viewing content, responding to advertisements and reading articles.

On the evidence available, it appears that micropayments will become a feature of Internet access in the near future and this will have direct implications for Internet use in libraries. Our libraries will become profit-generating centres for Internet companies. The key issue will be how libraries pay micropayments: whether users pay directly, by subscription to a library or whether libraries or local authorities become the payment

provider with users paying indirectly through council taxes. Consideration of these options may well politicise the micropayments phenomenon, but the possibility of seeking micropayment-free zones for public libraries may offer the most equitable solution. This scenario potentially runs up against the GATS though, as a 'barrier to trade'. The labyrinth that is developing before us functions to cut off solutions that incorporate social justice.

2.2 Privatisation – arguments and discussion

Three distinct forms of privatisation can be discerned, as described above. The third form has been happening for some time now in the library world. This is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The Private Finance Initiative (PFI) comes under this category, and various examples of PFI in libraries are given below.

However, there are fewer examples of public libraries being privatised and run as profit-making organisations, as such - either with companies running the complete library service, or parts of the library service, or companies making profits out of running libraries at a lower cost than the price they are contracted to run them (the first two forms of privatisation). Instead, various arguments are put forward to suggest that this is not on the agenda at all. The first argument is that there is no evidence to suggest that privatisation of public libraries is happening. The proposition is that this first argument rests on scare mongering. The second argument is that the GATS has not so far affected libraries and will not do so significantly in the future. The third argument, and most persuasive, is that corporate capital cannot make profits out of public libraries. This argument rests with the view that people would be reluctant to pay to borrow books and other media and those that can afford it would more likely buy their own from retailers.

Let us consider these arguments in turn. In regard to the first point – there is some evidence, and this will be outlined below. The second argument is incorrect; there are many examples where the GATS has, and is, affecting libraries and some of these examples are illustrated throughout this article. See the Best Value section below, for one example of this – where I show how the GATS is formulating and shaping the Best Value agenda. The examples are subtle though, and are not immediately obvious. It is clearly **not** the case that the GATS leads to forced, immediate privatisation, as Richard Caborn was keen to point out when he wrote to the *Library Association Record* on 8th March 2001, saying that:

Despite stories to the contrary, there will be no forced privatisation of libraries or the NHS as a result of the GATS.

However, this does not mean that the GATS is not effecting libraries and information, but just that the GATS are effecting libraries and information in subtle, seemingly unobtrusive ways. In fact, this is what makes the GATS and the whole global capitalist agenda so powerful and so apparently impenetrable and unstoppable. If it was more up front, there would probably be far more objection to the agenda – people do not usually like to see their way of life suddenly disappearing before their very eyes. They do not like to lose what they have come to accept as their 'rights' - which in this case is a free public library service. Moreover, in order to enable the GATS to take effect it requires the work and willingness of those currently working in the library service, to help to bring about this scenario. If private companies just suddenly 'took libraries over' they would not receive this type of assistance.

The third argument appears more persuasive. Who would be interested in trying to make money out of loaning out a few books; surely, there is no money to be made from that, many would argue? However, I am not suggesting that significant amounts of money definitely *can* be made out of libraries, either now or in the future (although it could well be possible – given the right situation). What I am illustrating, though, is the *direction* in which the whole situation is *moving*. The environment is being created which will encourage, indeed entice private corporations to see the benefits to be gained from moving into libraries. These conditions are largely being established willingly, albeit probably naively, by librarians, information professionals and other library workers under various mechanisms. Some of these mechanisms are discussed in later sections of this article – these are Best Value, Library Standards and the People's Network. Once the conditions are 'ripe', then private capital can move in. But perhaps some will say – the conditions will never be 'ripe'. Such arguments are also irrelevant, even if they are proved to be true, in the short-term. They can never be proved to be true in the long-term, because capital's drive is infinite – it will never be satisfied, it will never stop. If it fails in one area, then it will try again in another, or try in the same area but in a different way, with different mechanisms. The Multilateral Agreement on Investment (MAI) failed, for example, but this has now been largely incorporated within WTO agreements.²

Furthermore, quotes from various seemingly pro-business books also show clearly the direction in which we are all being pushed. Business folk, in their efforts to understand what is going on in the world – which they need to do in order to respond to changing economic situations – often use terminology and describe

situations that provide poignant starting points for analyses of contemporary capitalism. Concepts such as 'human capital', 'intellectual capital' and 'value' that are used repeatedly in much business literature are significant concepts in today's capitalist world as they help to describe the direction in which this latest phase of capitalism, the 'knowledge revolution', is moving. For example, Boyett and Boyett note in *The Guru Guide to the Knowledge Economy*, that:

A new post-knowledge economy may be emerging that is based not on the exploitation of information but on stories. This market for feelings may gradually eclipse the market for tangible products. Six such emotional markets can be discerned now: adventures for sale, the market for togetherness, friendship, and love, the market for care, the who-am-I market, the market for peace of mind, and the market for convictions. (Boyett and Boyett, 2001, p.47)

Making money out of libraries seems a simple and feasible aim compared to making money out of 'emotional markets'.

There are other examples that illustrate the extent to which everything is starting to become commodified today. The beaches are one clear example here. Patti Waldmeir (2001) wrote an interesting article about the privatisation of many of the beaches in America. She said:

But as private homeowners buy up more and more commodities, the clash between public and private becomes more acute. Elite homeowners are paying millions for their own bit of sand. (Waldmeir, 2001, p.6)

The article also quotes from Kerry Kehoe, who is on the general counsel for the Coastal States Organisation, which supports access to the beaches. He said:

The shoreline is slowly being privatised in incremental units. (Kehoe in Waldmeir, 2001, p.6)

Thus, it appears that part of the earth that we thought belonged to 'the people' is now being sold and commodified. What next? What other parts of the Earth can, and are, to be commodified?

To conclude this section: I am illustrating the direction in which we are all being forced along. I have several examples below to illustrate various aspects whereby privatisation is already infiltrating libraries, but in a sense, even if I did not have these examples, this would not alter the direction in which we are headed or lessen the general argument. The processes described are in their infancy, but are developing rapidly.

2.3 Privatisation – examples

a. Libraries run directly for profit

The first form of privatisation I described previously is where private companies are running libraries (or parts of libraries) directly, for profit. There are some subscription libraries that would fall under this category, but they are small in number. There are also company libraries that function to augment the capacity of the firm to make profits (e.g. libraries in law firms) and media libraries that generate revenue (e.g. newspaper libraries). But I will not pursue these examples further as the focus here is on corporate capital moving into public sector libraries and electronic libraries setting up in competition with mainstream public and academic libraries, operating on a for-profit basis.

There are now IT centres/Internet projects that are being set up in public libraries by private companies. Ormes (1996) describes such projects in detail. She indicates that an Internet project called Cybercity is situated in Bath Central Library. The area is screened off and houses a number of PCs that offer Internet access. It is used by the public, and is very popular. The council could not afford to run such a project, so it is being run for profit by a local company called GlobalInternet. As Ormes (1996) notes:

Cybercity is in fact not a library service at all, but a cybercafe (without the coffee!), which is run for profit by a local company called GlobalInternet. Cybercity, like all cybercafes, offers charged access to the Internet. How it differs from other cybercafes is that instead of being situated in a shop/café it is found in the public library. (Ormes, 1996, p.1)

Another company that is working with public libraries is called Input/Output. It has 10 centres in public libraries across the country. Marylebone Library was the first of these. As well as providing Internet access, it also provides access to software packages such as word processing and spreadsheets and runs computer-training courses. South Ayrshire council started a South Ayrshire Cyber Project in 1996. The intention was to open a number of Cyber Centres in libraries across the county, providing the public with access to the Internet, software packages and CD-ROMs.

Questia (Fox, 2001), netLibrary and ebrary (Crane, 2001) are all electronic libraries:

...with collections that include tens of thousands of books. And they are growing fast; although modest by the standards of print collections, these commercial digital libraries already dwarf even the largest non-profit collections. (Crane, 2001, p.1)

So Questia, for example, is an Internet company aimed at serving students in an academic environment, providing online information from books, encyclopaedias and journals in the humanities and social sciences for fees (Fox, 2001). Questia:

...sells information online directly to consumers the way amazon sells books online and the GAP sells clothes online. (Fox, 2001, p.1)

Fox also refers to some other companies that have launched similar products aimed at both students and faculty staff. These are Proquest Academic Edition's Xanadu, and Jones's e-global Library (*ibid.*). Many other examples could be given, but what they indicate is that the private sector is either moving into public sector and academic libraries or setting up alternative operations with the aim of making profits. This is a process that is still at an early stage of development.³

b. Private companies making a profit out of running libraries at a lower cost than the price they are contracted to run them

The second form of privatisation is where private companies make a profit out of running libraries at a lower cost than the price they are contracted to run them. This has just started to happen in England, in the London Borough of Haringey. The September 2001 issue of the *Library Association Record* reported in one of its news items that:

Consultants have been called in to run a local authority library service. This is a first – although the move is temporary. (LA Record, 2001f, p.515)

Haringey received a very negative report by the Best Value Inspectors and this has resulted in Instant Library Ltd, under its co-founder Diana Edmonds, being given the 'opportunity' to turn the Haringey library service round. The library service was criticised in a number of ways in the Best Value report. The criticisms included poor opening hours, low staff morale and poor management, especially stock management. However, Haringey was one of the first councils to do a Best Value review, and so were 'guinea pigs', in this respect. As explained in the Best Value section below, some authorities have not entered into the 'spirit' of Best Value. Some librarians and library workers have naively thought that the main purpose of 'Best Value' was to provide a good library service, serving the needs of the local community, whereas the main purpose of it is to enable the GATS to take effect. This is probably what happened in Haringey. So, this has provided an ideal opportunity, to enable the private sector to move in. The fact that it is being run by 'Instant Library Ltd' eases the process as well, because this company is quite well known in the library world (particularly as a recruitment agency). As the former head of Haringey library service (who retired in 2000) said of Instant Library Ltd:

Some people may be suspicious, but I see it as a positive thing. They seem anxious to work with the staff, and are being very approachable and open. (LA Record, 2001f, p.515)

There would be far more suspicion, I feel sure, if a completely unknown private company had moved in, and particularly if it had been a foreign company. By this gentle-gentle approach, capital hopes to make further inroads. Instant Library Ltd is on a 6-months trial, and an assessment will be made on the work that they have undertaken after this period. If 'progress' (in line with Best Value) has been made, then I am sure that they will continue to run Haringey libraries. At some point Instant Library Ltd will probably take over Haringey libraries completely. At some more distant point Instant Library Ltd will probably then be taken over themselves by a larger corporation. There we have it – the start of corporations moving into libraries. Am I being cynical? Why then was the local authority in Haringey not given the chance to 'improve' under the Best Value imperative, rather than just allow Instant Library Ltd to move in? The LA Record explains how Maria Stephenson, a middle manager in Haringey said that they were not given guidelines on how to undertake Best Value and that they 'didn't have the skills'. They were one of the first authorities to undertake a Best Value review, so surely they should have been given more help and guidance. Yet, we can speculate why that did not happen: it would not have provided the opportunity for the private sector to start to run our public library services. Furthermore, if no examples materialised from 'Best Value' in this way – providing the opportunity for alternative suppliers, then the Best Value regime itself would be seen to be a waste of time. It is a mechanism that has been established in order to enable the GATS to take effect, so it must be seen to be doing its job. Best Value would not be being implemented, as intended, if all the Best Value Inspection Reports concluded that all the local authorities were providing a good public library service, or at least, a service that could be improved whilst remaining in the control of the local authority.

2c. The private sector running capital projects

The third form of privatisation is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The **Private Finance Initiative (PFI)** comes under this category, and there are various examples of where PFI has been adopted in libraries. PFI is often portrayed as being an opportunity to get investment into our public services in general, although George Monbiot in his book *The Captive State* (2000) has shown PFI to be an expensive, inefficient and undemocratic way of providing public services. Others, such as Dexter Whitfield have also shown this (Whitfield, 2001) (See also Labour Left Briefing, 2000).

In regard to library examples of PFI, Richard Sibthorpe (2001) describes the first PFI to incorporate construction and IT solutions, which was undertaken in Bournemouth. It provided Bournemouth with a new central library and ICT (information and computer technology) facilities across its whole branch network. A 30-year contract between the Council and Information Resources (Bournemouth) Ltd was signed to build and facility-manage a new central library. This is a 'pathfinder agreement' and was one of 29 pathfinder agreements around the country. Pathfinder is an official government scheme and the Department for the Environment, Transport and the Regions (DTER) gave nearly £15 million towards the new library. Linda Constable (Bournemouth Council Library Officer, and Manager for the ICT element of the project) said:

A great partnership has been developed between the council, Information Resources, Allied International and TALIS information, all working to deliver Best Value and service to both the other organisations involved in the deal and the library users in Bournemouth. (Constable in Sibthorpe, 2001, p.236)

The library needed to ensure that it remained technologically advanced throughout the 30-year period of the contract. It was difficult for them to know, or predict, what new technologies would develop, so the Council got guidance from the DETR's newly published Treasury Task Force ICT Guidelines which introduced Technology Refreshed. Bournemouth Council then went on to implement a series of Change Control Agreements. Change Control is an essential element of the PFI contract process, and is particularly important when implementing hardware and software ICT projects as things change so rapidly. Sibthorpe notes in regard to PFI that:

The initiatives also provide private investors with valuable exposure to new markets. (2001, p.237)

Thus, PFI fits in closely with the GATS agenda. Furthermore, Sibthorpe says that:

The Local Government Association acts as a facilitator between local government and the PFI process, focusing on Pathfinder projects, such as the Bournemouth deal. It is these initiatives which are seen as examples of the potential scope of PFI, and they are more than likely to serve as models for future schemes. (Sibthorpe, 2001, p. 237)

Sibthorpe concludes by adding that:

Private Finance Initiatives enable the public sector to effectively purchase a service from the private sector, allowing them to avoid the need to fund the infrastructure that the service provision would require. They utilise the efficiency and expertise that the private sector has to offer. PFIs look set to be the blueprint for the way in which this, and probably any government, will be aiming to do business with the private sector for the foreseeable future. (Sibthorpe, 2001, p.237)

It is interesting how Sibthorpe notes the Government's keenness to continue to do business with the private sector in the future, in this respect.

There are other examples of PFI in libraries. Hackney Technology Learning Centre, which includes a new central library and museum, has used the PFI initiative to build its new library, which is due to open in April 2002. (LA Record, 2001a) Kent County Council is operating a PFI contract for the provision, financing and operation of the council's IT system. This includes the library system and a public information network of over 1000 terminals. Also, Brighton is developing a new central library through PFI (LA Record, 2000e).

2.4 Capitalisation – further observations

The capitalisation of libraries and library services is a process; a process that deepens over time with libraries becoming sites for capital accumulation and profit making. There are three aspects to this. Firstly, the other two processes – commercialisation and privatisation – feed off each other such that libraries and library services become increasingly *commodified*. This implies that library services are increasingly ruled by the goal of profit making. Notions of income generation, income streams, marketing, library products, the user as 'customer' or 'consumer' and the market, competition and cost-effectiveness and efficiency become the yardsticks for success. This implies a 'culture change' regarding the ways library staff are encouraged to

view what they are about. The capitalisation of libraries implies its *businessification* – the library and library services as businesses, bathed in business values and outlooks.

Secondly, as the commodification and business takeover of library services increases then library enterprises become traded, bought and sold. The companies running library services start to figure in stock markets, and international capital – aided and abetted by the GATS process – starts to take hold of national library services. This process can be seen more readily in what is happening to schools in contemporary Britain. Some of the companies taking over the running of schools and Local Education Authorities are traded on the stock market. Indeed, as Bernard Regan (2001) points out, the average share prices of these ‘education businesses’ have outperformed the overall level of share prices in the last few years. Thus, it can be envisaged that the business takeover of library services may have similar outcomes and effects as to what is happening in schools, with profits made from running services at a lower cost than contract price.

Thirdly, and most fundamentally, at the heart of the capitalisation of libraries is a particular form of *labour*: the value form. Capital, as Karl Marx (1867) reminds us, is a social relation, not a “thing” (i.e. a commodity), though it appears as a “thing” as it is incorporated in commodities. As workers (labourers) we have a social relation with a *process* (the value-creating process in the labour process) and with the substance of capital’s social universe itself (value) (McLaren and Rikowski, 2001). In terms of labour, the value form is based on the fact that workers produce more value (i.e. *surplus value*) than that represented by their wages (the value of their own labour-power, their capacity to labour). Surplus value arises when workers produce more value incorporated in commodities than that incorporated in their wages: *surplus value*. Profit is a part of this surplus value (other elements leaving the enterprise as tax, rents and so on), and it is this that drives on the managers of capitalised libraries to restructure services continually to maximise profits. This form of labour, the value form, is antithetical to outmoded and ‘traditional’ forms of labour resting on notions of public service or the public good. It rests on the notions of value, price, profit and competition (markets).

It should be emphasised that the capitalisation of library labour is typically a drawn-out process, certainly not something that is carried out overnight. This is because it is developed as the other two processes – commercialisation and privatisation – are being nurtured. All this has tremendous implications for restructuring library workers’ labour, and the forces and motivations driving it. The labour of library workers changes its mode; it becomes a different form of labour, the value form. The concept of the capitalisation of libraries addresses these momentous changes that are currently taking place before our eyes.

The capitalisation of libraries and the imposition of the value form of labour imply a whole raft of ‘softening up’ processes. Library workers’ labour is reconfigured so that it becomes more flexible, adaptable and adequate to the facilitation of libraries being turned into businesses. Reviews of library services, modernisation programmes and redefinitions of ‘professional’ duties become apparent necessities. Furthermore, professional values and jobs that appear to stand in the way of the capitalisation of libraries become at risk. This is because the process of turning labour into value-creating labour that is the source of surplus value out of which arises profit is antagonistic to professional values and attitudes that place ‘service’ and the needs of library users above all other values – including commercial ones. Many library services have witnessed decimation of their professional staff as the way is being cleared for further capitalisation of library services. In the London Borough of Newham Library Service where I worked up to 1995, a Library Review held in the early 1990s had the effect of clearing out swathes of professionally qualified staff (my own post as training officer was eventually abolished). Another review has just been completed in Newham. Such continual reviews also has the effect of making staff feel more insecure and it is less likely that staff will join trade unions and take industrial action. The workforce becomes fragmented and disjointed, particularly with the increase in the casualisation that accompany such reviews. In Newham, staff were either not replaced at all, or replaced with unqualified staff. This process was not unique; many other library services suffered and are suffering a similar fate. Thus, on data compiled by Loughborough University by 1996-97 the number of professional librarians per 10,000 of the population was at 1.1, whereas in 1991-92 it had been 1.3 (British Council, 1999, p.1). But the capitalisation of libraries does not just threaten professional posts; it undercuts the service ethos as it reconfigures the prevailing values and goals of library services in terms of value-creation, cost-effectiveness and profit. It changes the whole face of library work as it takes hold and seeps into the everyday operations of library services. Professional values and the service ethos can act as barriers to the businessification and capitalisation of library services, and those pushing through the business reforms cannot tolerate that. Fundamentally, the profit ethos becomes far more important than the service ethos.

3. Mechanisms, Facilitators and Enablers for the Corporate Takeover of Public Libraries

In this section, I shall outline some of the mechanisms that are in place which will enable the GATS to take effect, thus enabling the corporate takeover to develop through the three main modes outlined above. Thus,

Best Value, for example, is a mechanism that will enable the commercialisation, privatisation and capitalisation of libraries and information to take place within the public sector. I will focus on three main mechanisms – Best Value, Library Standards and the People's Network, all of which are having profound effects on our public libraries today.

3.1 Best Value

Best Value had been defined and described by Angela Watson in the *Best Returns* report in the following way:

Best value is part of a broad package of reforms that affect all aspects of local government. It aims to bring about continuous improvement in local authority services, and to give local people more say in the services they receive. Best value forms part of the Government's agenda to modernise the way that public services are provided. (Watson, 2001, Section 3 – 'About best value', p.3)

The four 'best value principles', the '4Cs' are described in Section 5 of the report, 'Best Value Returns'. The '4Cs' are:

- **Challenge** – why, how and by whom a service is provided
- **Compare** – performance with others, including the private and the voluntary sectors
- **Consult** – with local taxpayers, service users, partners, the business community and the voluntary sector
- **Competition** – use fair and open competition, wherever possible, to secure efficient and effective services

Thus, the concept of 'Best Value' might sound promising in itself, but even just by glancing at the above definition and the '4Cs' it quickly becomes apparent that all is not as promising as it might initially appear to be. There is no clear reference to what the aims and goals of the public library service should actually be within the Best Value guidelines – not from a philosophical perspective. The International Federation of Library Associations and Institutions (IFLA), in contrast, has a clear view about this. It says:

Libraries are a public good. They are unique social organizations dedicated to providing the broadest range of information and ideas to the public, regardless of age, religion, physical and mental health, social status, race, gender or language. The long-established library traditions of intellectual freedom and equitable access to information and cultural expression form the basis ensuring that library goals are achieved. Libraries of all types form an interrelated network, which serves the citizenry, from the great national, state and research institutions to public and school libraries. The well being of libraries is essential in ensuring access to the full range of human expression and providing individuals with skills necessary to access and use this content. (IFLA, 2001b)

Furthermore, Paul Whitney who was the IFLA representative at the WTO meeting in Seattle (see the IFLA section below) says that:

The IFLA position paper acknowledges that publically funded libraries are part of the cultural sector. It also advocates for cultural diversity and the encouragement of multiple voices rather than homogenized and globalized cultural products which dominate by virtue of financial or corporate strength. (Whitney, 2000, p.2)

Secondly, returning to Best Value, the reference in Best Value to continual improvement is very tied up with capitalism. Why do we need to continually seek improvements – the latest brand of this, the latest brand of that? This is because 'innovation' is an essential drive within capitalism: accumulation of capital demands constant reorganisation of production and of social life. This is a de-humanising process. Libby Brooks referred to Paul Robinson's views about the capitalist system in *The Guardian*, emphasising that Robinson views capitalism as:

...a dehumanising system that occupies people with clawing back their humanity, leaving them with little time to query the powers that be. (Brooks, 2001, p.17)

Referring to Robinson is enlightening because he was a library worker at the University College London library, who was involved in the anti-capitalist protests at Gothenberg, and was subsequently arrested and then imprisoned.

Finally, all the '4Cs' expose clearly the main purpose behind Best Value – such as, **compare** performance with other sectors – the private and voluntary sectors; use fair and open **competition** and **consult** with others, such as the business community. The 'hidden', or not so hidden message here is clear: local authorities should no longer be free to organise and run their public library services as they see fit, and in line

with the needs of the people in the local community. Instead, there are a set of higher priorities - consulting, competing and opening up the service to other possible suppliers, which in the long-term will mean consulting, and then competing with the private sector. We are fed rhetoric, such as the idea that this is necessary in order to provide an 'efficient public library service'. However, from a social justice perspective 'efficiency' should not be the main aim within our public libraries: values such as creating a sense of community and belonging should surely override 'efficiency' considerations; as should the service ethos in general.

Best Value is one of the clearest and most transparent mechanisms for enabling the GATS to come to fruition in the public library sector – it is one of the *national faces of the GATS* for UK public libraries. The Best Value process is also being implemented in other public service sectors, but it seems to be particularly virulent in the public library sector. Many people working in public libraries seem to see 'Best Value' as worthwhile on the surface, and would probably be rather surprised that I make critical statements about where Best Value is leading. The concept of Best Value sounds appealing. Best Value sounds like a way of providing an efficient, effective and worthwhile public library service that fulfils the wants and needs of the local community. But this is not essentially what its purpose is. We must be wary of the use and misuse of words. For example, we witness Tony Blair talking about 'modernising' our public services and bringing about radical change in their delivery. Being 'radical', traditionally, has been associated with many socialist approaches to reorganising society. Certainly, in the United States the concept of 'radical' is akin to socialism in many political and academic discourses. However, this is certainly not what Tony Blair means when he talks about 'modernising' our public services and bringing about radical change.

So what is the main purpose behind Best Value? In essence, Best Value is a mechanism for enabling the public library service in England to be opened up to different suppliers, rather than library provision just residing within the orbit of local authorities, thereby creating a market environment. As Angela Watson notes in *Best Returns*:

At present, there may be few or no serious alternative suppliers of library functions. Some authorities appear to see this as a reason for not addressing competition. But library authorities will need to demonstrate that they have seriously considered new approaches and alternative ways of delivering services. As one of the case study authorities remarked; "You just can't say there isn't anybody else out there". Under Best Value retaining library services in-house can only be justified where the authority demonstrates that there really are no other more efficient and effective ways of delivering the quality of service required. Library authorities should explore potential future providers and take steps to encourage them – to create a climate for competition that will enable the market to develop. (Section 5, para. 5.1)

Thus, here it appears that local authority library services are being instructed and guided in bringing about their own demise. For Watson, they should do this 'in good spirit' and with a good will. The strategy for the marketisation and privatisation of public libraries and the role of Best Value in this enterprise is so clearly outlined by Watson that little further comment is required. The intention behind Best Value is to create competition and a market environment that will thereby facilitate the corporate takeover of public libraries in line with the GATS agenda. Obviously, the process will take time, and there could be backlashes to the process – from either public library workers or library users, or both, that will slow or terminate the strategy. Furthermore, some library services may try to subvert Best Value for truly community centred and social justice goals, either intentionally or unintentionally. They might not play the Best Value game in the correct competitive spirit. I feel sure that many local authorities, when implementing Best Value for their library services, have been and will be implementing it in ways that they believe is to the ultimate benefit of the local population. Furthermore, some will think that this is what Best Value is about anyway. The main purpose of Best Value is not made very obvious. Locating the Watson quotes in the *'Best Returns'* document that clarified the main purpose behind Best Value was not easy, for example – they were hidden within a weighty document. Thus, such people are innocently assuming that the purpose of Best Value has admirable aims and objectives. They may, and some have, driven through progressive programmes and innovations that will indeed have such outcomes. This must be frustrating to those with a marketising agenda for public libraries. It slows down the process and strategy as outlined by Watson, costs money and 'wastes time'. As it was reported in the *Library Association Record* in October 2001:

The essence of Best Value has not been grasped by many library authorities... (LA Record, 2001g, p.594)

We only have to look at the North East Lincolnshire Best Value Inspection to find a clear example of a local authority trying to make the best of Best Value. At the very beginning of this document, in the *Summary and Recommendations* section (Audit Commission, 2000, Section 1, point 7, p.5), it was noted that:

...we find that the Council recognises the need to move forward, but has yet to make key decisions on the future direction of the service. As a result, the Best Value Review is not driving fundamental change. The absence of key corporate policies also hinders improvement. On this basis we judge that the service will not improve in the way required by Best Value unless action is taken along lines recommended in this report.

The real 'fundamental change' required of North East Lincolnshire was to move rapidly towards market solutions for its public library services. The Best Value Inspectors there saw insufficient evidence of this. As was reported in the *Library Association Record* (2001c):

N.E. Lincs gets just one star, for 'fairly'. Partly this is bad luck, as the council's BV review of libraries was the first it had done for any service. It had much to learn. Also, lack of 'key corporate policies' and cross-sectoral thinking at council level makes it hard for libraries to plan well....[the inspectors said]...the service should be seeking 'step change', not incremental improvements. (LA Record, 2001c, p.134)

If there is any doubt about the underlying purpose of Best Value in North East Lincolnshire we only need to look at the recommendations on the very next page (*ibid.*, p.6). The recommendations do not focus primarily on providing a better service for the local community but highlight other issues (Audit Commission, 2000).

There are four main recommendations (covered in Point 9 of the *Recommendations* section). Point 9 does refer to improving the public library service, but within the context of providing better *value for money* – and this is the key, and most seductive point. To attain value for money, it is recommended that the Council should promote joined-up working across departments and 'accelerate the development and implementation of key corporate policies' to deliver enhanced customer services. However, Point 9 also stresses that this must take place within the context of a revised Best Value Improvement Plan aimed at achieving 'greater value for money'. The speed of change should be greater and the Best Value Improvement Plan should include 'costed options for service points' – making for alternative scenarios in service delivery. From here, the recommendations in Point 9 go on to emphasise inter-agency and cross-departmental working in order to maximise use of premises, to improve locations (of libraries) and opening hours to increase service take-up, and to improve access to ICT and lifelong learning opportunities. On these issues, library professionals could readily concur. However, Point 9 ends with a recommendation that all of this must take place on the basis of evaluation of each service using the 'principles of performance management' constituted by the Audit Commission. Thus, we are driven back into the labyrinth of Best Value, value for money and the marketisation of public library services with the spectre of privatisation haunting the whole process. Those wishing to develop library services on the basis of social justice, inclusion and social equality have to negotiate a Best Value process that incorporates another world for public library services. This is a world where value for money, costed options, competition, and markets facilitating the corporate takeover of public libraries provide the centre of gravity. In North East Lincolnshire, the library service did not seem to be playing the Best Value tune with the requisite enthusiasm and vigour.

In response, Lincolnshire (as a whole) has wanted to reinvent itself as a modernising and innovative environment for libraries. In Coult and McInroy (2001), some of the problems Lincolnshire faces were highlighted. It is the fourth largest rural county in England, which has resulted in a poor transport infrastructure with pockets of rural deprivation and substantial numbers being socially excluded. Furthermore, Lincolnshire as a whole lags behind in the implementation of telecommunications technology. Rob McInroy, who is operations manager for library support services in Lincolnshire County Council, is particularly concerned with improving the IT and telecommunications infrastructure. He says:

Public libraries now have the highest profile that they have had during my professional life. It's great to see, and it's great that the Prime Minister is in a library giving a speech about the importance of libraries.... In Lincolnshire we are now seen by the Council as key to e-government, and giving access to our network of public access PCs. (Coult and McInroy, 2001, p.47)

McInroy then refers in some detail to the implementation of the People's Network (p.48) and of some of the funding problems they have had.³ The point to emphasise here is that the People's Network is another mechanism for enabling the GATS to take effect within the context of the public library service in England. North East Lincolnshire has not been so successful to date in the implementation of Best Value as GATS facilitator. Perhaps though, they can remedy this to some extent by focusing on the People's Network. Lincolnshire is in a very disadvantageous position regarding IT and telecommunications. If they can be seen to be surpassing other local authorities that do not have such disadvantages on the implementation of the People's Network and other IT strategies then this would be a considerable achievement for them in relation to official priorities.

There are other local authorities where Best Value Inspectors praise library services for developing on the basis of marketisation and privatisation agendas with greater effectiveness, clarity and enthusiasm (e.g. in Hounslow, see Audit Commission, 2001). In Hounslow the management of the libraries is being undertaken by a Trust, the Community Initiative Partnerships (CIP), which is a Not-for-Profit Distributory Organisation that has been set up by the council for a 10 year period, which started in May 1998. As Geoff Allen, the Assistant Chief Executive of Community Initiative Partnerships said in the *Library Association* and ex-Principal Librarian at Hounslow:

In 1998 the London Borough of Hounslow became the first public library authority to transfer the management of its public library to a trust...CIP was formed to be a leisure and cultural regeneration agency with wide objectives, and with a view to expanding to manage services elsewhere... The management of services through 'trusts' was not new...[but] What attracted interest to what Hounslow did was the scale and breadth of the transfer and the inclusion, for the first time, of a statutory service, Hounslow's 11 public libraries and related services. (Allen, 2001, p.754)

CIP was managing statutory services and a variety of services – not just libraries. These included museums, tourism, leisure centres and open spaces.

Thus, the local authority is starting to lose some control of its public libraries. Since the launch of CIP the council in Hounslow has been able to reduce its revenue budget support by over £2.5 million. There was also recognition in Hounslow of the need to further exploit different income generation opportunities and to improve the marketing of their services. It hopes to meet the target for the People's Network, which would mean that all their libraries would be linked to the Internet, by the end of 2002. The proposal was that CIP would meet the funding for the People's Network by means of a loan from the bank. It is also interesting to note that CIP is advertising posts in the *Library Association Appointments* supplement of 4th January 2002 and words such as 'business planning process' and 'performance targets' are used in the advertisement (LA Record, 2002).

There was particular interest in Hounslow, as it was something of a testing ground, to see how well a 'trust model' could perform under Best Value. As Allen said:

What makes this assessment, and the report of the inspection, of such interest is that it represents the first full, independent examination of the trust management model for libraries, and of the impact that model has had on the service review and on the management of the service. Perhaps, most importantly, it also discusses why the service is expected to improve under that model. (Allen, 2001, p.754)

Hounslow performed favourably under Best Value and as Allen said:

...this inspection confirms that the trust works for Hounslow's libraries, and Best Value challenges every authority to evaluate this model as part of their review process. (2001, p.755)

Thus, in essence, authorities such as Hounslow are leaders and beacons in the movement towards a library environment dominated by markets and the law of money.

At the same time, it is important for those officials driving Best Value that the purposes and values informing the process are not made too explicit, otherwise professionals and other library workers in the public library services might question their engagement in instituting the Best Value regime. The willingness and co-operation of library workers is important (see Resource, 2001a – a consultation paper on Best Value). Official obfuscation about the aims and purposes of Best Value is necessary so that it can function effectively as one of the *national faces of the GATS*. On the other hand, given that there is such a smokescreen regarding the real nature and purposes of Best Value many might be innocent of what the real game and real stakes are. The Library Association, as a body, might be one such example of this. In *Best Returns* (Watson, 2001), under section 2 (Introduction, p.1), Angela Watson writes:

The Library Association has a role in supporting library authorities to prepare for Best Value and in clarifying how Best Value links with recent developments in the public library sector. (Watson, 2001)

Furthermore, as was noted in a news item in the Library Association (LA Record, 2000e) the LA itself has produced a 42-page guidance booklet for local authorities called '*Best Value Guidance for Library Authorities in England*', and in the document the LA notes that "BV requires a fundamental cultural shift."

In the same news item (as LA Record, 2000e, p.489) readers are alerted to a more critical perspective on Best Value. It refers to a booklet entitled *Best? Value – a critical guide to Best Value, the government's new regime for local authority services* published by the Centre for Democratic Policy Making.⁴ In referring to Best Value, the booklet says:

Its political importance is too often disguised. Too many authorities treat it as a technical issue to be left to officials to sort out... The danger is that the prime purpose of BV – efficiency, economy and effectiveness – remains exactly the same as the commercially driven objectives set nearly 20 years ago under the Tories. (Cited in LA Record, 2000e, p.489)

The overall implications of Best Value and its place in relation to the global trade agenda set by the WTO and the GATS needs to be at the heart of an appreciation of its true significance. Because of the official requirement to mask these issues, it is quite easy to view Best Value as a technician, neutral mechanism, or even as an innovation that can be a vehicle for addressing community needs. However, the undercover face of Best Value – as GATS facilitator and enabler in the public library sector – needs to be viewed in order to ascertain its nature. The neoliberal project kick-started in the Thatcher/Reagan era has been pushed forward by the WTO/GATS in the international trade arena. This pinpoints the real significance of the intrusion of the Best Value regime into public library services in England. The New Labour government (less so the Labour Party) is an enthusiastic supporter of this project, but needs all the friends it can get to push the thing through with sufficient speed, depth and effectiveness for the interests of British capital.

3.2 Library Standards

Library Standards need to be approached with extreme caution. Who can argue, theoretically, with the idea of 'library standards'? Sounds very good – to ensure that our libraries are maintained to certain standards. However, if we examine the standards in more detail a different picture emerges, and it becomes clear, once again, that standards are being established that fall in line with the GATS. The Library Association itself, says that Best Value and the mandatory standards for public libraries must have a 'clear' relationship and 'both inform each other and complement each other' (LA Record, 2000a, p.7). Similarly, in *the LA Record* of June 2000 it reported that:

Best Value Performance Indicators must also be adhered to, and the Best Value inspectorate will 'draw on the standards'. (LA Record, 2000b, p.303)

In the LA Record, August 2000, it describes how there are areas of standards in three sectors, and that one of these areas is Best Value, illustrating how the two areas are intertwined (LA Record, 2000b)

The LA Record of March 2001 (2001b) reported the fact that the full standards were published in February 2001 (See also Lashmer and Oliver, 2000; and see DCMS, 2000a – for further information about library standards). The LA Record (2001b) noted that there were 19 standards in the final document, although there had been 24 standards in the draft. The central aim expressed in the standards is that all libraries should try to match the performance of the top 25%, and they have three years in which to achieve this. No reference is made to the inherent contradiction in this statement – that there can only ever be 25% in the top 25%. If two new authorities move up and into the top 25%, then logic dictates that two others must move out of the top 25%. So be it. What is more concerning is what the standards include, and, even more significantly, what is **not** in the standards. There was a standard for qualified staff in the draft (25% or 29%), but this was removed in the final document. Now, services only have to show in their Annual Library Plans that they are employing "appropriate" numbers of qualified staff. In this LA Record news item it says that:

Some will worry that 'information management' and ICT are the only qualifications specified. But at least the LA is to commission research to define "appropriate". (LA Record, 2001b, p.131)

Hence, it seems that we are left to play with the word 'appropriate', as we were left to play with the word 'interpretation' in regard to the meaning of 'services' when applied to the GATS (Rikowski, 2001).

To any professional librarian this would surely seem bizarre: whatever reason can there be for removing professional standards from the document? All becomes clear again, when we refer back to the GATS document, where it becomes evident that professional standards can be seen to be a barrier to trade. This topic is addressed under Article 7 of the GATS on 'Recognition' under the 'General Obligations and Disciplines' section. In Article 7 (v) it says:

Wherever appropriate, recognition should be based on multilaterally agreed criteria. In appropriate cases Members shall work in co-operation with relevant inter-governmental and non-governmental organisations towards the establishment and adoption of common international standards and criteria for recognition and common international standards for the practice of relevant service trades and professions. (WTO, 1994)

Note that it refers to Members of the WTO setting up "standards", but does not indicate which members will be involved. Professional bodies are not mentioned here at all, but presumably large corporations will be heavily involved (for they tend to have far greater representation at WTO meetings – see Dodds's article in this issue, which refers to this). Where no such international standards exist then existing qualifications could

be deemed to be a 'barrier to trade' if corporations are denied access to libraries on qualifications grounds. Fiona Hunt also made this point in her article in this issue. If a foreign supplier took over one of our public library services, for example, and brought staff with them from their own country, these staff might not have the requisite British library qualifications (or their equivalent). Not allowing such staff to work in this particular public library service could be interpreted as a 'barrier to trade'.

As it was pointed out in the *LA Record*, even heads of libraries are concerned about this. It says:

The word is that library chiefs are most concerned by the standard on numbers of professional staff.
(*LA Record*, Aug 2000c, p.426)

(See also British Council, 1999, p.1 – which shows that the number of professional librarians is decreasing.)

Other omissions in the Standards (as explained in *LA Record*, 2001b) are also illuminating. There is no Standard on **spending** for stock (although it does specify the number of items to be purchased). Defining the **quality** of stock was deferred pending further work (the Audit Commission was to come up with some "quality measures"). There was no standard for **floor space** (although there had been one in the draft) and there were no ICT standards specifically, except for ICT qualifications for library staff. The latter is necessary, because the People's Network has to be fully operational by 2002 (to coincide with the GATS timetable, as described above).

All the four points above can be linked to the drive towards the commercialisation, privatisation and capitalisation of libraries. There will be a growing trend towards paying for information provision in libraries through micropayments, as I have already described. Hence, there is no apparent need to be greatly concerned about the quantity or quality of stock, or floor space, as the aim is to get more people to use the Internet, and so there are no clear commitments to the traditional book stock or shelf space. The lack of commitment to floor space can be explained by the fact that there is, as yet, uncertainty about how many people will want to use computers, and if and how gaining access to the Internet will be paid for (such as through micropayments). The Government wants more people to use computers, but will people (or at least enough people) respond? It is an uncertain future, in this respect. So, for the time being there are no standards for these areas.

Standards no longer appear to be such worthwhile aims. We must approach all such schemes with a clear head. The 'bread and butter' of any worthwhile public library standards would surely be standards for stock and staff, and yet these areas are not being adequately considered at all. This is because the aims of the standards are not as we would be led to believe. Instead, standards are another mechanism, another facilitator to enable the GATS to take effect – library standards are another *national face of the GATS*.

3.3 People's Network

Similarly, the Peoples Network is also another mechanism to enable the GATS to take effect. Many people might be even more shocked that I should make such claims here, as many think that the People's Network is wonderful, and means that poor and disadvantaged people can have access to computers in the same way as the rest of the population. We hear much talk about the digital divide, whereby those who do not have a computer at home, or at least have access to a computer, will be disadvantaged (See also Shimmon, 2001). Yet, does not the People's Network solve this problem? Sadly not. Even the term itself, the 'People's Network' sounds as though it is 'for the people'; for the 'ordinary people'. It is very enticing; it is almost a rallying cry; in fact, it almost sounds radical. Yet this is far from the case.

First of all, the People's Network is being driven forward at a tremendous pace. The aim is to ensure that most public libraries are online by the end of 2002 (in line with the GATS timetable). As Benjamin said in *The Guardian* (G2) on 13th June 2001:

The government has stated an intention to ensure that at least 75% of public libraries are online by the end of 2002, when the National Grid for Learning and the University of Industry go live. Several government funding channels have been created to get libraries wired up, including a £200m programme under the National Lottery New Opportunities Fund. (Benjamin, 2001, p.4)

Significantly, Bill Gates himself has given some money to the People's Network. Resource announced on 20th July 2001 that both Resource (the Council for Museums, Archives and Libraries) and the Bill and Melinda Gates Foundation have given £2.6 million to UK public libraries for the creation of ICT learning centres in deprived areas. This means that each library will be able to install an extra 2 to 12 terminals, thereby ensuring that there are ICT learning centres in all 4,300 public libraries. The People's Network project can be seen to be a partnership between Resource and the New Opportunities Fund, but the money given by Bill Gates was an additional bonus. As the Libraries Minister, Tessa Blackstone said about Bill Gates's contribution:

I warmly welcome this generous award from the Foundation, which comes as a most useful addition to existing Lottery-funded support for ICT in libraries. This funding will ensure that Internet access is available through our libraries, to everyone, right across the country. (Blackstone in Resource, 2001c)

Many rejoice at the apparently 'free' money that is being poured into the People's Network. Stephen Dunmore, Chief Executive of the New Opportunities Fund said:

The People's Network has high technical standards so internet links are fast. Wherever local libraries are getting on line the service is excitingly popular. To give everyone a fair chance, many libraries are instituting a booking system for timed sessions. From young people to the retired, the global world reached through information and communications technology has tremendous appeal, and it is an important part of the nation's lifelong learning strategy. (Resource, 2001f)

Similarly, on the 30th August 2001, Dunmore said that:

The transformation of local libraries nationwide into high-tech learning centres with suites of computers is one of the best kept secrets. Local communities need to know that lifelong learning will be free to users at local library branches being equipped with information and communications technology. (Resource, 2001e)

Resource speaks about the joys of free Internet access and notes that:

Free access to the internet is fast becoming a key service at local libraries in the UK as the People's Network is set up. Overall, £100 million of National Lottery money from the New Opportunities Fund is equipping local libraries with state-of-the-art computer technology to enable everyone in the community to hook up to the internet free. (Resource, 2001f)

Thus, a considerable amount of finance is being poured into the People's Network. The funding was described in some detail in 'So what is the People's Network?' (People's Network, 2000). It said that there are over 4,000 public libraries altogether in the UK, and the People's Network project will connect all public libraries to the Information Superhighway by the end of 2002. It described the three funding programmes for the Peoples' Network, under the New Opportunities Fund. £20 million was to be allocated to the **training** of all library staff in the use of ICT. £50 million was being allocated for **Content Creation** and public libraries could bid for this and £200 million was allocated for the creation of the **Lifelong Learning Centres and Grids**. Furthermore, the DCMS gave a £9 million cash boost that was to be spread over 3 years (starting in December 2000), in order to get UK libraries online by 2002 (DCMS, 2000b) (See also NOF, 2001 – for more information about the New Opportunities Fund).

It all sounds like such a great opportunity. Not only does it offer help to the disadvantaged, but also it (apparently) provides libraries with a real opportunity to move forward into the 21st century and to be at the forefront of what is happening. Now, this is a tempting bait for libraries, as they are too often seen to be a backwater, the 'forgotten sector', the sector that gets 'left behind'. We are too often perceived as 'Cinderellas', whilst other departments and other experts often seemingly take the glory and the credit. Chris Batt, the Director of the Learning and Information Society Team at Resource and writer of a column in the *Library Association Record* on the People's Network, speaks enthusiastically about the need for the public library service to move forward and the great opportunity that the People's Network can provide. As he said in the 'Library Association Record', in October 2001:

The successful roll-out of the People's Network is crucial to the future status and role of the UK public library service. But it is only part of a jigsaw and the picture is now only vaguely visible to us. One thing is certain: we will see the landscape more clearly, and sooner, if we explore it together rather than apart. So get networking! (Batt, Oct 2001, p.584)

Batt is very enthusiastic; yet there is a hidden message even here. The picture is only 'vaguely visible', notes Batt. But it is not a picture that many wish to see! We may see the landscape more clearly if we explore it together, but that is just like seeing the executioner clearly before he chops off your head! There were similar, enthusiastic tones in the June 2001 issue of the *Library Association Record* from Batt, who opined that:

Public libraries have a chance to develop within the emerging Information Society in ways that most of us never dreamed possible three or four years ago. We cannot let that chance slip because we fail to nurture and grow what NOF [New Opportunities Fund] has started. (Batt, in Simmons, 2001, p. 328)

Chris Batt spoke about the People's Network in some detail to Sylvia Simmons in the *Library Association Record* of January 2000, when he became the Library and Information Commission Chief Network Advisor. He referred to a need for a balance between traditional library provision and the opportunities provided by the Network. As he said:

It's going to be a balance between key core services – which are still about dealing with customers face-to-face – and developing information in support of managing wider information services. In parallel will be the development of the new skills that staff will need: to manage ICT and to help their customers to be confident about using the technology themselves. (Batt, in Simmons, January 2000, p.26)

Note here, also, the way that Batt uses the word 'customer'. He then said that over the next 3 years the Network would be viewed as:

...a window on the world of information, bringing together a wide range of public service information. (Batt, January 2000, p. 26)

In some authorities, such as Leeds (LA Record, 2001e) the People's Network has already been connected to schools and other learning organisations, as well as to the libraries themselves. Children are then able, for example, to log on to their school site in the library. Batt also sees a role for the People's Network in providing education and life-long learning. As he argues:

If we develop the access routes, the incentive will be in place for colleges and commercial organisations. Using public networks, they know that people can follow a course moderated through the library, with one of the country's largest captive audiences. Users will only exchange money (or have their learning account debited) when they actually start a course. (Batt, in Simmons, Jan 2000, p.27)

Batt also spoke to Simmons about the People's Network in the *Times Higher Education Supplement*. This demonstrates how important he thinks the impact of the People's Network will be on education, as well as on libraries, seeing it as a "network of information, not a network of libraries" (Simmons, 1999, p.15). However, we must not be fooled by all this rhetoric. The hidden agenda (GATS implementation) cannot really be developed unless librarians happily take the People's Network project on board. The People's Network needs to be set in place and this can only be done by librarians and library workers in local authorities undertaking the work. The private sector will only want to move in when it can make money. Workers in the public sector need to work hard to make this happen – essentially, they need to work hard to bring about their own demise, as was also described under Best Value. Thus, they are just pawns in a bigger game. The solution is not to take on someone else's agenda (where we can easily be dumped), but to establish our own agenda for the future of our library service. As I have indicated in previous articles, library workers need to be more pro-active (Rikowski, 2000a and Rikowski, 2000c).

In essence, the government is bribing local authorities with the People's Network. 'Look at all this wonderful equipment we are giving you for nothing', it seems to be saying. It sounds so enticing. Many seem to be persuaded by the rhetoric. Take Rob McInroy, for example, the Operations Manager for Library Support Services for Lincolnshire County Council, whom I referred to in the 'Best Value' section of this article. McInroy has spoken very enthusiastically about the implementation of the People's Network (although also recognising that there are some problems). He said:

Nationally, £200 million of capital resources has been committed to investment in The People's Network. However, we have to make sure that this funding continues. In a year's time, the NOF funding dries up. This will be a major challenge for libraries. That's why it is important that libraries play a central role in the e-government debate. (McInroy, 2001, p.48)

It is interesting to note McInroy's awareness that the funding will dry up and the concern he shows about what will happen then.

McInroy goes on to say that Lincolnshire had a lot of difficulty in attracting funding for the People's Network. This was due in part to the fact that Lincolnshire is a large rural area with a low density of population, and with no efficient transport infrastructure or modern telecommunications technology in place. However, once money was provided from both the New Opportunities Fund and Lincolnshire Council they were able to set up the Network. They have also started other initiatives such as a Rural Academy in South Lincolnshire, which is a way for schools to share resources; i.e. the Community Grid for Learning (CGFL) and Linnet, the Lincolnshire Community Information Network. In conclusion, McInroy says:

We don't want to turn people away from the library. We give people access to computers, even just for chatting, otherwise they will go to EasyEverything. It is a way of getting people into the library, and once they are there, we can show them what else we do. In all, it's a very exciting time to be working in public libraries. It's a chance to be in the forefront. We won't get the opportunity again, so we must grasp it now. (McInroy, 2001, p.51)

So there we have it: a wonderful opportunity, and a chance to be at the forefront. But at the forefront of what exactly? To return to the basic argument - the People's Network needs to be set up by the end of year 2002,

to fit in with the GATS timetable. This is why there is such an apparent urgency to get all the libraries online by then. But what will happen once it is all in place and the money has run out, as McInroy pointed out? It costs money to support, maintain and upgrade computer systems. Where will this money come from? It can be predicted that this will be achieved by opening up the public library service to other possible suppliers, (such as private companies injecting money as an investment into the projects) as is outlined in Best Value. Indeed, Best Value stipulates that this *must* be done – it is not an option. As Angela Watson says in the *Best Returns* report, the government:

...is looking for a variety in the ways services are delivered, and a mix of service providers from the public, private and voluntary sectors. (Watson, 2001 p.8)

Furthermore:

Library authorities should also explore potential future providers and take steps to encourage them to create a climate for competition that will enable the market to develop. (Watson, 2001, p.9)

A news item in the *Library Association Record* also hinted that this is the direction in which the People's Network is likely to go. It said:

One of this year's jobs is to 'plan the long-term sustainability of the People's Network after the NOF funding ends and extend the network to museums and archives'. In 2002 Resource will 'examine models for funding arrangements, including partnerships and sponsorship, and ensure that the sector is fully informed of the relative merits of different models...' (LA Record, 2001d, p.389)

So, there we have it. Coupled with this will be the need to charge for information. This will fall neatly into place with micropayments. Libraries start to provide the bulk of their information through the Internet (through the People's Network), rather than traditional books. Micropayments are set up for all transactions on the Internet. Libraries cannot be excluded from the implementation of micropayments (this could be seen to constitute a barrier to trade according to the GATS – as described above, in the micropayments section). Thus, libraries begin to charge for information. We have come full circle. The aims are to make money, create markets and privatise services.

As already stated, it is quite possible that some of my predictions will not come to pass, but this does not lessen the strength of the argument. In a sense, this shows that corporations may be wary about what critics like myself stand for and what we are saying, so they decide to back down (for a while) and take a softly, softly approach. However, the wishes of corporations will rear their ugly head again if this happens, but in a different guise (witness the Multilateral Agreement on Investment that failed but is now rearing its head again in WTO agreements). Also, there might be practical problems that prevent corporations from achieving their aims. There is also the need to retain the active co-operation of library workers in order for these plans to take full effect.

However, staff may not always be willing to go down this path. Witness the North East Lincolnshire Best Value report, for example, where many of the staff appeared to hold different aims and to be working towards a different agenda to those implicit in Best Value. Furthermore, I am not suggesting that all these scenarios will definitely come to pass; instead I am just describing and illustrating the trend and the way in which the situation is developing. The people at the forefront of these changes spell it out for us, loud and clear, as I have illustrated so many times. There is little in the rhetoric about providing a public library service that fulfils the wants and needs of the local population, or about enabling and enhancing human expression, or about the public service ethos. Where such sentiments are expressed, they are clouded and embraced within other terminology such as the need to be 'competitive' and 'efficient', thus the terminology is used as a means to keep certain people (the cynics, critics, the 'do-gooders' etc) on board or marginalised.

4. Position of various Library Associations and Non-Governmental Organisations (NGOs) in response to the WTO and the GATS

I have considered the path along which libraries and information, particularly the public library service, are now treading. Secondly, I have demonstrated how this path is in line with the GATS agenda (and thus, ultimately, with global capitalism). I now want to move on and consider the responses of various library associations and non-governmental library and information-based organisations to this situation. I found considerable disquiet and unease amongst many of these organisations.

4.1 IFLA (the International Federation of Library Associations and Institutions)

I begin with IFLA, because of the high regard, status and importance it holds within the international library and information community. There is, in reality, no more powerful international library voice. IFLA is the body

that represents library associations and library interests from many different countries on the international stage. It sees itself as being an 'active international alliance of library and information associations, libraries and information services, and concerned individuals'. (IFLA, 2001a) IFLA is very concerned about the WTO and the GATS programme and the effect that it is likely to have on libraries and information. However, I would like to point out at this stage that it was the British Columbia Library Association that first considered these complicated issues in depth and informed the library community about them. Frode Bakken, who spoke at the IFLA conference in 2000, related that:

It was our Canadian colleagues in the British Columbia library association and later the Canadian library association who developed the library approach to these complicated processes and who informed the world library community about this. We are very grateful to them. (Bakken, 2000, p.2)

IFLA makes its position on the WTO very clear on its web site. On its current web site (IFLA, 2001b), it states clearly what it regards as being the main purpose of libraries, saying:

Libraries are a public good. They are unique social organizations dedicated to providing the broadest range of information and ideas to the public, regardless of age, religion, physical and mental health, social status, race, gender or language. The long-established library traditions of intellectual freedom and equitable access to information and cultural expression form the basis ensuring that library goals are achieved. Libraries of all types form an interrelated network, which serves the citizenry, from the great national, state and research institutions to public and school libraries. The well being of libraries is essential in ensuring access to the full range of human expression and providing individuals with skills necessary to access and use this content. (IFLA, 2001b)

This statement has many similarities to what I regard as the main purpose of libraries. However, IFLA could be accused of being 'romantic'. Yet, the reality is the opposite. IFLA speaks for various library workers and organisations throughout the world, and I feel sure that most library and information workers and library and information bodies would agree with these sentiments.

From this powerful statement, IFLA then voices its concern about the WTO agenda. It says

There is growing evidence that WTO decisions, directly or indirectly, may adversely affect the operations and future development of library services, especially in not-for-profit institutions (IFLA, 2001b).

A little later in the document it refers to the GATS, noting that:

The GATS Agreement has the potential to open up all aspects of a national economy to foreign competition including public sector services such as libraries. Corporations can be set up in any Member State and compete against public services. In such instances, the foreign corporation can challenge support for public sector service and could claim national treatment; i.e. the same level of subsidy received from the government by the public sector agency. (IFLA, 2001b)

IFLA continues:

With the advent of for profit on-line content providers targeting individual users or education services and public libraries, the potential for GATS challenges to traditional library service is increasing. While the concept of allowing "competition" appears benign, the eventual outcome of such challenges will be the undermining of the tax-supported status of public sector libraries at the national, regional and local levels. Without tax support, the library's role as a democratic institution, making available the widest range of material reflecting the diversity of society, will be compromised. (IFLA, 2001b)

Fiona Hunt, Anneliese Dodds and Alex Nunn all refer to this part of the GATS in their articles, and are concerned about what might be the implications of this – expressing fear that the subsidy or the tax support might be removed altogether.

I was then pleased to read that IFLA wants to have an open debate on these issues. They say:

The potentially far-reaching implications of trade liberalization in services for not-for-profit libraries should be openly debated. (IFLA, 2001b)

In my article on the GATS (Rikowski, 2001) I also emphasis the need for greater debate on these issues, particularly for more debates on mainstream television and radio.

IFLA arrives at two main conclusions. In Point 15 it says:

As an active international alliance of library and information associations, libraries and information services, and concerned individuals, IFLA is strategically positioned to advocate at the WTO on behalf

of libraries and information services and to ensure that its members are informed in order to be able to advocate effectively at the national level. (IFLA, 2001b)

In Point 16, it is indicated that:

In order to ensure a strong public sector, IFLA and its members will continue to build links and work with library and information, archive, museum, education and other organizations in furthering awareness of the implications of international trade treaties for the public sector. (IFLA, 2001b)

Thus, this provides us with some very clear guidelines on how library workers should try to respond and deal with the WTO and the GATS agenda – we certainly should *not* just take it lying down. Otherwise, everything that we believe in and hold dear might start to melt away before our eyes!

Some very important and significant statements were also made in the position IFLA maintained in February 2001, which was displayed on its website at that time (IFLA, 2001a). It said:

The future of libraries of all kinds could be jeopardized by a series of international trade treaties that are currently being negotiated. (IFLA, 2001a)

It described how IFLA was formally represented in Seattle in 1999:

...in order to defend the interests of libraries and promote the value of the public sector. (IFLA, 2001a)

It then warns us about the likely possible effects of the GATS, saying that:

Libraries, museums, and archives, as well as health services and education, are potentially affected by the World Trade Organization Millennium Round, specifically relating to the General Agreement on Trade in Services. (IFLA, 2001a)

...and voices some of its concerns, including the observation that:

Privatization of libraries may result from the proposals for expansion of the GATS agreement. (IFLA, 2001a)

Once again, the issue of private foreign companies is addressed. It says that Governments might be obliged to give private companies (including foreign companies) a subsidy similar to that given to a publicly-funded library. IFLA refers to the:

Possible guarantee of the right of foreign, for-profit library services and suppliers to set-up in member state and compete against publicly-funded libraries. The country would then have to offer them national treatment, i.e. foreign corporations would have to be treated as well or better than any national supplier. Since the Agreement will cover subsidies, these corporations might be able to argue they should receive equal funding from the government. (IFLA, 2001a)

It also speaks about the possible erosion of professional standards, as these could be seen to be an unnecessary barrier to trade in services (which is an issue that both Fiona Hunt and myself have addressed). As IFLA said:

Professional standards could come under challenge as a trade barrier...The Council for Trade in Service is empowered to set review panels to assess whether qualification requirements and procedures, technical standards and licensing requirements constitute unnecessary barriers to trade in services. (IFLA, 2001a)

IFLA then proceeded to make its policy position crystal clear:

The WTO is one dimension of a multitude of efforts to enrich corporations by forcing public services into the private sector through privatization, budget reductions or international trade agreements. This trend should be resisted. (IFLA, 2001a)

Furthermore,

IFLA's fundamental position is opposition to the WTO/GATS as presently outlined in the WTO documents. Publicly funded libraries are part of the cultural sector. (IFLA, 2001a)

The paper concludes by adding that:

IFLA is opposed to the expansion of the GATS agreement but should it go forward, it will concentrate on a separate agreement/exemption for libraries and cultural organizations while continuing to push for protection of the broadly defined public sector. (IFLA, 2001a)

Thus, IFLA's fundamental opposition to the GATS agenda is clear. I have quoted from the IFLA web site, which outlines IFLA's position on the WTO at considerable length, because I think these IFLA statements are very important. They highlight many of the key issues surrounding the GATS and libraries and also illustrate clearly the international library response to the WTO/GATS agenda.

Ross Shimmon, the Secretary General of the IFLA, summarised some of these main issues quite succinctly in 'Can we bridge the digital divide?' that appeared in the *Library Association Record*, November 2001. Shimmon said:

There is growing evidence that decisions of the World Trade Organisation (WTO) may adversely affect the operations and future development of library and information services in the not-for-profit sector, in both the developed and developing worlds. IFLA was presented at the WTO Ministerial conference in Seattle, and will be presented at the forthcoming conference in Doha, Qatar, next month. WTO oversees a number of treaties governing international trade. There are two specific treaties, which have implications for library and information services: the General Agreement on Trade in Services (GATS); and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The GATS agreement has the potential to open up all aspects of a national economy to foreign competition, including public sector services such as libraries. In their submissions to the GATS negotiations, individual countries make commitments on service sectors they wish to open up to competition. At the beginning of the second round of GATS negotiations in 2001, 13 countries, including eight developing nations, had made a commitment to open negotiations on libraries, archives, museums and other cultural services. It is probable that many more countries will be entering GATS negotiations, which could directly affect their library services, even if they have not listed them in their commitments. (Shimmon, 2001, p.679)

Frode Bakken, who is on the EBLIDA working group on the WTO and the GATS, (Information Society, 2001), provides further background information about IFLA's role and position ('*WTO and libraries – an introduction*, September 2000). This paper was presented at the 66th IFLA Council and General Conference in Jerusalem in August 2000. It describes how IFLA came to have a representative at the WTO meeting in Seattle, and how this was quite an unusual departure from IFLA's previous activities. Bakken said that:

As far as I know IFLA has never before been a lobbyist group and accredited NGO in a trade policy context even if we have a long tradition in attending WIPO conferences and also regional copyright conferences. (Bakken, 2000, p.1)

Bakken considers the MAI and how:

This was a closed shop and secret process until the world became aware of it. This agreement, which never became a reality, was meant to promote foreign investments all over the world. It was expected that this would reduce in a dramatic way the role of the nation state and its legislation and increase the influence of the trans-national companies. (Bakken, 2000, p.2)

The MAI process collapsed in 1998. The IFLA MAI Working Group was then renamed the WTO Working Group, and it set out various recommendations, such as to actively encourage members...

...to lobby at national level to promote protections for libraries and culture in international trade agreements (Bakken, 2000, p.2)

Leading on from this, IFLA gained representation at Seattle. As Bakken notes:

This had the effect that IFLA applied for and got an official accreditation as NGO (Non-governmental organisation) at the WTO conference in Seattle. (2000, p.2)

Paul Whitney, the Chief Librarian at Burnaby Public Library, became the official IFLA representative. Thus, these are the facts of the situation. However, I think it is worthwhile to highlight the slight ambiguity in IFLA's position on the WTO, as set out in February 2001. It said that:

IFLA will be represented in Seattle, along with other library associations, in order to defend the interests of libraries and promote the value of the public sector. (IFLA, 1995 document redrafted February 2001, as 2001a)

However, having read the documentation carefully, it would appear that only IFLA itself was represented. Even so, this was a significant breakthrough, and it means that the international library community has a much clearer and a better understanding about what the WTO is doing and planning, and it means that we can disseminate information more effectively and respond accordingly. When I began editing this '*Globalisation and Information*' issue, I did not know that an IFLA representative had been at the WTO meeting in Seattle, or that IFLA had a position on the WTO. As already stated, I was inspired by Glenn Rikowski's book on Seattle (Rikowski, 2001a) where he focused on some of the implications arising from

Seattle for education. Therefore, we are in fact stronger than I could have hoped for. The international library community needs to work together now, to disseminate this important information, and to resist pressures from the WTO that would undermine many of the main purposes of our working lives in the library and information world and indeed, would in time, lead to a fundamental and catastrophic change to our whole way of life. Under the WTO agenda and the GATS we would become completely subservient to the needs of corporate capital. As Bakken notes:

The aim of the WTO is to enhance world trade through liberalisation of world trade or as this is formulated by WTO itself: "the main function is to ensure that trade flows as smoothly, predictably and freely as possible. (Bakken, 2000, p.1)

Furthermore, Paul Whitney has indicated that:

The WTO is unique as a multinational body in that it has binding dispute mechanisms as an inherent part of its operations. These dispute mechanisms include the strongest enforcement procedures of any international agreement currently in place. The common element to the opposition against the WTO is the loss of local (i.e. national) decision making which can result from its panel rulings. (2000, p.1)

This runs against much of what many of us believe regarding what libraries and information should ultimately be about. As I have already said, Whitney was present at the WTO meeting in Seattle, so heard first-hand what was actually discussed, and he said that libraries are definitely included under the GATS (contrary to statements made by people such as Richard Caborn). He said:

It was made clear by key negotiators in Seattle that all services are subject to GATS review, including education, health care and, yes, libraries, archives and museums... hard choices will have to be made and they may include the sacrifice of some sectors to protect others. (Whitney, 2000, p.1)

Whitney does go on to say that:

...after the week in Seattle... libraries are not on the WTO's agenda. (Whitney, 2000, p.2)

However,

The lack of awareness of libraries within the WTO and national delegations should not be taken as meaning that libraries will not be effected... What has to be of concern are the potential GATS unintended consequences for libraries and other public sector institutions. (Whitney, 2000, p.2)

This, perhaps, illustrates the fact that libraries can sometimes be seen to be a 'backwater'. Libraries will be swept along in the tide of the global corporate agenda; but they are hardly deserving of a mention in their own right whilst this is taking place, it seems. Witness, in contrast, the coverage that is sometimes given to areas such as health and education in the media, although many other areas that are threatened by the GATS (some of which were highlighted by Clare Joy in her article) are also often excluded from the main stream media.

Furthermore, Whitney notes that:

With the increasing commodification of information, the importance of information for e-commerce, and the recent unprecedented transnational corporate mergers of content owners and deliverers, it is no longer assured that some of the services of public, education and even national libraries might not be seen to be in competition with the private sector. (ibid.)

He continued:

If libraries were not specifically discussed in Seattle, there was considerable debate and maneuvering over the issue of cultural diversity. The IFLA position paper acknowledges that publically funded libraries are part of the cultural sector. It also advocates for cultural diversity and the encouragement of multiple voices rather than homogenized and globalized cultural products which dominate by virtue of financial or corporate strength. (ibid.)

Whitney concludes by emphasising the value of libraries as they are currently constituted and then suggests what we should be doing in the future. He says:

Libraries have a central role to play in ensuring that the full range of cultural expression is accessible. A lessening of cultural diversity weakens library collections. The best outcome is open markets for cultural products with governments able to sustain domestic culture through support programmes for creators, producers, distributors and public sector cultural institutions such as libraries. (Whitney, 2000, p.3)

So, where do we go from here? Whitney argues that:

Effective advocacy is dependent upon working with groups sharing our concerns for the public sector and cultural diversity. Effective communication among library activists and associations is imperative if we are to have any influence on the international agenda. Perhaps, even more important, is to ensure that our library users have access to the information necessary for them to understand the forces at work which may fundamentally alter public institutions such as libraries. (2000, p.4)

So, there we have it. I do not think I need to add much more to this. Both those people implementing the GATS (such as Angela Watson – even if unknowingly) and those critical of it, such as Whitney and IFLA say all that is necessary. Taking action and ‘spreading the word’ is the next step.

4.2 British Columbia Library Association (BCLA)

The BCLA position is very clear. As already stated, it was BCLA who first developed a library approach to the GATS, informed the world library community and communicated with IFLA about it all. Canada is very much in the forefront on many of the GATS issues. It was also in the forefront on many of the issues in the education sector. On their web site, the BCLA outlines a scenario that could easily occur under the national treatment guidelines of GATS. This is the picture they paint:

An “informed services” company could enter Canada, offering services similar to those offered by Canadian libraries. Under the national treatment clause, this company could claim the same government subsidies that libraries receive (because they are the same kind of operation), and the government would be forced to comply. In such a case, the subsidies would probably be discontinued by the government so that similar claims could be avoided in the future. Discontinuing funds to libraries would be the surest way for governments to protect themselves, and libraries could be forced to generate income or close. If public libraries are forced to close, or to operate on a break-even basis, the public would have to buy their information from the “information companies” or from fee-charging libraries. If a free flow of information is fundamental in a democratic society, the very basis of our democratic system would be threatened by this scenario. (BCLA, und.a)

They then ask people to take action: write to their MPs, ask for an explicit and permanent exemption for libraries in GATS negotiations and do not be intimidated by the language used by Government and trade officials, and to keep informed.

BCLA have another short paper on the web, *GATS and the threat to libraries*. In this document they say that:

The World Trade Organization (WTO) is an international body which seeks to eliminate “trade barriers” through privatization and competition. Its activities may result in the eventual elimination of the public sector...The General Agreement on Trade in Services (GATS) is the first ever set of multilateral legally-enforceable rules covering international trade in services. Services include a range of activities such as public health institutions, public education, social services and public libraries...The WTO is designed to limit the powers of sub-national governments (provincial, regional, local) in countries with a federal system. The GATS will limit local and provincial purchasing and economic development policies... Proposed changes to GATS will open all aspects of the economy to foreign competition including libraries. (BCLA, und.b)

It then encourages people to take some action, saying:

It is important that anyone who cares about libraries in Canada learns more about the potential effects of GATS...Any anyone who is concerned about democracy insist that the federal government consult more widely and openly with the people of Canada about what and how they are negotiating on our behalf. (BCLA, und.b)

4.3 The Canadian Library Association (CLA)

The CLA voices similar sentiments. It notes, for example, that:

*Privatization of libraries may result from the proposals for **expansion** of the GATS Agreement. (CLA, 1999 – my emphasis)*

...and that:

Libraries are unique social organizations dedicated to providing the broadest range of information and ideas to the public regardless of age, religion, social status, race, gender and language. (CLA, 1999)

The Canadian Library Association then outlines its position, stating that:

The Canadian Library Association supports and joins with other public sector organizations such as museums, archives, public education institutions and public health services in declaring the importance of our services to the health, richness and level of equity so far established by our society. CLA supports the creation of an exemption for library services, as the possible outcome of permitting the private sector to compete with libraries...could be to undermine their tax-supported status... Libraries should be part of exemptions for culture... (CLA, 1999)

Finally, they say that the:

CLA will concentrate on a separate agreement/exemption for libraries and cultural organizations while continuing to push for protection of the public sector as broadly defined. (CLA, 1999)

4.4 The American Library Association (ALA) and European Bureau of Library Information and Documentation Association (EBLIDA)

The ALA endorsed the IFLA WTO position at its ALA mid-winter meeting 2000 (ALA, 2000). The EBLIDA notes that the GATS could impact on libraries in a number of ways, which it lists as follows on its web site:

- Libraries could face competition from foreign for-profit library services and suppliers
- National treatment may have to be offered to these suppliers in competition with publicly funded services
- Professional standards and qualification requirements may be challenged as a barrier to trade

(EBLIDA, 2000)

On the EBLIDA web site it is stated that:

It is essential that the library community is aware of these developments and can defend its interests. (EBLIDA, 2000)

Due to these threats, EBLIDA has now set up a working group on the WTO and the GATS, and the British contact for this is Toby Bainton (Information Society, 2001).

4.5 Other library bodies

Various other library bodies also support many of the sentiments that have been expressed above. Steve Shrybman (2001) wrote a document entitled *An assessment of the impact of the General Agreement on Trade and Services on policy, programs and law concerning public sector libraries*. This document was prepared for all the following library bodies: – the **Canadian Library Association, Canadian Association of University Teachers, Canadian Association of Research Libraries, Ontario Library Association, Saskatchewan Library Association, Manitoba Library Association, Industry Canada, British Columbia Library Association, Library Association of Alberta** and the **National Library of Canada**. Thus, all these organisations are very concerned about the likely impact of the GATS on libraries. As is stated in the Executive Summary of this document:

In many ways the rationale for public sector service delivery is in conflict with the principles of trade liberalization that are fundamental to the General Agreement on Trade in Services (GATS). In simple terms, the GATS seeks to constrain government policy and regulatory options in favour of free market solutions. Public sector libraries on the other hand serve a public policy agenda that intends to correct the failure of free markets to meet broader community goals such as universal access to information and literacy. Given this inherent contradiction, it is not surprising that application of GATS disciplines to government measures concerning public sector libraries is consistently problematic (Shrybman, 2001, p.3)

Later in the document the likelihood of the private sector moving into the public library sector is considered, and it says that:

The more difficult point to establish is that public sector library services are not supplied in competition with the private sector. While the more traditional services provided by public libraries may not compete with other service suppliers, this is not the case for on-line or digital services. In other words, the bricks and mortar or more traditional library services may be excluded as supplied in the exercise of government authority while on-line and digital information services are not. This coincides of course with the areas of competition with private sector suppliers of e-book and e-library services. (Shrybman, 2001, p.7)

This is a very interesting statement. It reflects why this article is looking at libraries in general, and not just public libraries, even though much of the detail focuses on public libraries. As already indicated, the GATS, as part of the general global capitalist agenda, will be introduced gradually. The proposals under Best Value, for example, include the possibility of local authorities working with the voluntary sector, at least initially. Then, when the time is 'ripe' the voluntary sector could takeover the public library service from the local authority, and then at a still later date, this voluntary organisation could change and become a private company (once enough money can be made out of the project). Thus, it is a 'slippery slope', and in a sense, the divide between public library provision and other types of library and information provision could become blurred. Thus, in the early days, as indicated above, the bricks and mortar of the traditional public library could remain intact, but online and digital information could be opened up to the private sector. This fits in closely with my micropayments scenario. The physical library building might (or might not!) remain with the local authority, but users have to pay (albeit indirectly) to undertake transactions on the Internet. It is difficult, indeed almost impossible, to predict precisely what outcome will emerge, but this is the general direction. So, access to information could be 'privatised' (as it were) and at a later date, everything else could be privatised (library buildings, the books etc), when the time is ripe and sufficient profits can be made.

4.6 Summary

It is simply not the case that all library and information workers are happily swimming along in the tide, accepting all the supposed 'goodies' that capitalism has to offer, and embracing whatever is thrown in their way, as a result of capital's infinite drive to incorporate all areas of social life. Instead, there are a considerable number of library organisations showing grave concern. This should provide us with good heart and confidence. I hope that it will encourage everyone who reads this '*Globalisation and Information*' issue to think deeply about these subjects and to think further about how we might proceed on these questions together, in order to halt or at least slow down, the relentless pace of library capitalisation.

5. Conclusion and The Future

This article has aimed to unravel and expose 'global capitalism' for what it is. Within this context, it has focused on libraries and information (particularly public libraries) and how they will be affected by global capitalism. They will be affected by two main agreements that are being established at the World Trade Organisation – the GATS and TRIPS, which form part of the overall global capitalist agenda. This paper has focused on the likely implication of the GATS for libraries and information and how this will impact on library and information workers and library and information users. Whilst endeavouring to dispel any romantic myths that we might have about how our public library service first came into existence and any so-called 'rights' that we might think we have, (we have no 'God-given' rights to our public services, as such, or to a free National Health Service), the article then goes on to alert us to the dangers that our public library service as it is now constituted, currently faces. In essence, this is the danger of a corporate takeover of our libraries, which runs contrary to the public service ethos.

I then suggest that the corporate takeover of libraries can be placed within three distinct categories – commercialisation, privatisation and capitalisation. I describe the three categories and the sub-categories within these in some detail and then provide examples of how the corporate takeover has already started. Within this strategy, I consider where and how developments such as the Private Finance Initiative (PFI), micropayments and income generation fit in.

The article then proceeds to examine some of the mechanisms and facilitators that *enable* the corporate takeover of libraries to take effect, in the three areas outlined. Within this context, I look at Best Value, Library Standards and the People's Network. These can all be seen to be mechanisms that will enable the GATS to take effect in libraries. They are the national faces of the GATS.

I then consider the position and response of various library associations and non-governmental organisations (NGOs) throughout the world to the World Trade Organisation and the GATS. Many of these organisations are extremely concerned about the direction in which the WTO is driving things. They see libraries as a 'public good' (IFLA, 2001b) and are very concerned about the threat that they are under. As the British Columbia Library Association (BCLA) say:

Imagine a world without libraries...it could happen. (BCLA, und.a)

The aim of this article has been to heighten people's awareness about the threat that libraries and information are currently under from the GATS and global capitalism. From this, I hope that people will feel able to take the issues forward. There is a need to inform others and to start to expose the hidden (or not so hidden) agenda that resides within capitalism itself. We need not panic, thinking that all their libraries will suddenly close tomorrow, and that we must start protesting, striking, working 24 hours a day to try to prevent

this happening etc. Radicals have pursued such strategies on so many occasions anyway, and in different ways, and this approach just does not seem to work; it just exhausts people. Also, such action might result in stopping one programme in line with the GATS from proceeding, but other programmes will continue unabated; capital will continue its infinite drive elsewhere in some other concrete form. No, a more careful and considered approach is called for. May be, then, we will be able to think more clearly about how to create a better, kinder and fairer social system. Then, perhaps real and lasting progress can be made. The important thing is to make progress and not to go round in circles. Certainly, we should work hard to defend our libraries and to inform others about the scenario that is developing – but think carefully about what is the best strategy to adopt. The works of Karl Marx are incredibly rich and meaningful, compared to so much of what is written today. He has often been demonised and denigrated as so many critics are, but usually it materialises that most people who try to undermine him have not even attempted to read his works. Let us end with a quote from Marx, which illustrates his tremendous foresight – for 150 years ago he saw that globalisation was developing. In the *Communist Manifesto* Marx and Engels said that:

All that is solid melts into air...the need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. (Marx and Engels, 1848, p.83)

We need to think at a deeper level, as Marx did, in order to analyse and expose the intrinsic workings of the capitalist system, so that we can then start to conceive of a different world; a kinder world; a better world; a fairer world; a world beyond. As Glenn Rikowski says, let us look towards ‘a future **with** a future – socialism’ (Rikowski, 2001b – original emphasis).

Notes

1. See also the Letter to the *Financial Times*, of 6th November 2001, from Lord Brittain and others associated with the Liberalisation of Trade in Services Group on the ‘great benefits’ that the GATS offers to emerging economies as well as to British economy. This letter notes that: “*The GATS agreement is about liberalising international trade in services. It does not require the deregulation or privatisation of these services. These are separate policy decisions for governments to take or not take as they choose.*” (Financial Times, 2001)
2. Fiona Hunt has outlined the implications of the MAI for libraries in a paper prepared for the British Columbia Library Association (Hunt, 1998), and see Stan Ng (1998) for background information on the MAI.
3. For other examples of privatisation in libraries and information see Nehms (1997), Bennahum (1995), Seetharama (1998), Private Libraries Association (1999) and Millward (1998). See also Fiona Hunt’s article, where she refers to companies launching “information markets” on the Internet (Ott, 1999).
4. The People’s Network will be discussed and analysed later in this article.
5. For this booklet, contact cdp@mailportal.net and also the magazine *Red Pepper*, redpepper@redpepper.org.uk

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The WTO and the Threat to Libraries

Fiona Hunt

How many of you here today would prefer not to buy products made with child labor? How many would prefer not to eat food treated with hormones? Even if you don't care about these things yourself, do you think that people should have the right to make these choices?

The WTO would like to take away that right, and has done so already in a number of cases.

According to the WTO, countries cannot discriminate against a product based on its method of production, even if the same standards are applied to domestic as well as foreign products. Such discrimination constitutes a "non-tariff trade barrier".

For instance, in 1988, the US passed a law banning the sale of tuna caught using "purse seine" nets, nets which injure and kill dolphins as they catch the tuna. This law is applied to domestic tuna as well as imported. Even so it has been ruled WTO-illegal as a barrier to trade. Similarly, a ban against shrimp caught in nets that injure sea turtles was overturned by the WTO. The US ban fell under the US Endangered Species Act as well as satisfying US obligations under the global environmental treaty CITES (Convention on International Trade in Endangered Species). Despite these facts, it was deemed a non-tariff barrier to trade.

Where food safety is concerned, the WTO contends that unless a product is scientifically proven to be unsafe, it should not be discriminated against in trade. Countries should assess what they consider a "tolerable" risk. Many countries prefer to adopt a "zero tolerance" attitude and wait until the product has been

proven safe to ensure ultimate safety for their citizens. Such a stance constitutes a WTO non-tariff barrier to trade. For instance: since 1988 the European Union has had a ban on the sale of domestic and imported beef treated with bovine growth hormone. Bovine growth hormone is suspected as a possible cause of cancer as well as premature pubescence in girls. It has not been absolutely proven, but the EU has decided to apply the "Precautionary Principle" and wait until it is conclusively pronounced safe before allowing it into its food supply. The US challenged this ban in 1996, and in 1998, the WTO ruled that the EU must begin importing hormone-treated beef by May of 1999. When the EU refused to comply with the ruling, the US requested that sanctions be applied. The EU currently pays over \$100 million in trade sanctions (\$116.8 million to be exact) because of its refusal to import beef felt to be unsafe for its population.

In each of the above scenarios, the right to choose has been taken away in favour of the "right" to trade.

It might also interest you to know that every environmental law challenged in the WTO's dispute resolution court to date has been overturned. Numerous other laws aimed at protecting the world's environment have been stopped in their tracks by the threat of a WTO challenge. All have been deemed WTO-illegal barriers to trade.

The governments bringing these challenges to the WTO did so on behalf of corporations in their countries. It is the corporate interest that is being upheld.

What does this have to do with libraries? Under WTO laws, public libraries could disappear.

What is the WTO?

The World Trade Organization was established in 1995 to regulate global trade coming out of the 1994 Uruguay Round of GATT negotiations. At the moment, there are 137 WTO member countries from the developed and developing world and that number is growing. Member states vote on agreements and bind themselves to implement all or part of these agreements within a certain time frame, failure to meet a deadline results in pressure from the WTO. It also acts as a settlement "court", settling disputes that arise in the arena of global trade; a place where corporations (through their national governments) can complain of and be compensated for other members "unfair trade" practices. The WTO is backed heavily by transnational corporations (TNCs).

In the words of Ralph Nader's *Public Citizen*, the WTO's goal is "to provide transnational corporations (TNCs) with a cheap supply of labour and natural resources. The WTO also guarantees corporate access to foreign markets without requiring that TNCs respect countries' domestic priorities." (Working Group, 1999); in other words, it awards TNCs all of the rights and none of the responsibilities of unfettered access to global markets.

WTO decisions have been heavily influenced by the so-called "Quad" nations (US, Canada, Japan, European Union), who often meet behind closed doors to make key decisions, excluding the other, primarily developing, member states. It strives to abolish the public sector and encourage privatization and deregulation.

How could the WTO affect libraries?

The WTO encompasses many different agreements dealing with different aspects of trade. One such agreement is the GATS, or General Agreement on Trade in Services. Libraries could face the threat of extinction under the GATS. Before we look at the GATS, however, we need to talk about National Treatment.

What is National Treatment?

Put simply, national treatment is the right of foreign companies to be treated the same as or better than domestic companies. For instance, if a foreign company enters the US market, selling the same or similar products as US companies, it has the right to apply for any benefits or special treatment afforded the US companies. The concept of national treatment is built into all WTO agreements and is meant to create a "level playing field" for all companies doing business in the same market so that there is no discrimination against foreign companies. WTO-style national treatment goes one step further, however. Not only must foreign corporations be treated the same as domestic corporations, there is no way for governments to place performance requirements on them. A foreign company would not be required to hire locally, bring technology into the country etc; it could simply use the population as consumers, adding nothing to the economic development of the region. And government's hands would be tied.

What is the GATS?

The GATS introduces a whole new field to international trade, namely, *services*. Born in 1994, out of the Uruguay Round of the GATT proceedings, the GATS has remained relatively unknown amongst the public. With the 1999 Seattle WTO Ministerial, however, the GATS has come to the forefront and the WTO now recognizes services as the next big area for the expansion of international trade. It is an area hitherto undeveloped with tremendous potential for profit-making.

The GATS strives to deregulate all services across all borders world-wide with the goal to commit each country to deregulate every service sector and provide national treatment for foreign service-based companies. Services include almost everything that is not a “good” or commodity: education, health care, broadcasting, child care, social services, water treatment, energy distribution, and a multitude of other things including libraries, museums and archives.

National Treatment and the Threat to Libraries

Take the following scenario - it could easily come about under the GATS national treatment guidelines:

Public libraries are in the public domain, supported by public taxes. Imagine an “information services” company entering a market and demanding the same subsidies and tax support that public libraries get. It would be entitled to do so under national treatment rules, providing it can prove itself to be the same kind of operation. The government’s most likely response would be to cut back on or eliminate public funding to libraries so as to avoid similar claims in the future. Libraries would find themselves forced to generate income to survive. The worst case scenario is that, without public funding, libraries could disappear altogether. The public would then be required to buy their information from “information companies” or from libraries, if libraries could stay afloat by charging for their services. Either way, the public would find itself paying for information that was once in the public domain.

Think this sounds far-fetched? According to an article in the *Vancouver Sun* dated August 1999, there are companies launching what they call “information markets” on the Internet. Information markets are essentially Internet-based “reference desks”, providing reference service to paying customers (Ott, 1999). The Information Market pairs up experts in various fields with people seeking answers to e-mailed questions; once an answer has been received, the seeker pays a fee, from which both the expert and the Information Market take a cut. Should companies offering this type of service enter the US market, they could, under national treatment guidelines, try to claim government funding, describing themselves as library-like companies offering library-like services. In addition, many libraries are experimenting with fee for service arrangements to deal with already inadequate funding levels; these schemes could open the door to competition with companies offering the same kinds of services.

One issue that could affect the magnitude of the threat to libraries is how they are classified according to the GATS. As it happens, libraries fall under the broad classification of Division 96 “Recreational, Cultural, and Sporting Services” under the UN classification of services. The UN classification is the one generally used by countries when they make their commitments under the GATS. You can go to – <http://gat-info.eu.int/gats-info/swtosvc.pl?&SECCODE=10.C> – to find the countries that have made commitments under library services. You’ll see that the US and Japan have made almost total commitments, meaning that any country’s private library services could bid on contracts for local libraries once the sector has been opened up to competition.

An example of this kind of scenario taken from real life, involving the North American Free Trade Agreement (NAFTA): United Parcel Service (UPS) courier service in the US is challenging Canada Post’s practice of funding the Canada Post couriers service, under NAFTA’s chapter 11 guidelines, which pertain to expropriation of profits. They hold that Canada Post’s courier service is being given an unfair advantage and that UPS should receive the same kind of funding. Sound familiar?

Last year in Canada, the government sent out a questionnaire to public libraries asking them to identify areas where they might have “export” interests. This is how the GATS is being sold. Rather than protecting public services within Canadian borders, the focus is on getting foreign market access to Canadian services exports. Support for the GATS is being solicited using exports as the carrot, completely ignoring the other side of the coin – namely, probable privatization of all services currently in the public sector.

Another way in which libraries could be affected by the GATS is the current move towards including professional licensing standards in the agreement. Extending the concept of the “level playing field”, the GATS would like to see standards for licensing professionals brought down to the lowest denominator. “Pro-competitive” is the preferred terminology. Such a provision in the GATS might mean that professions could no longer demand a certain standard of education or licensing amongst their members. Demanding that your

employees and colleagues hold an ALA-accredited masters degree could constitute a non-tariff barrier to trade.

Good-bye to the Public Sector

The GATS is explicit in its goal of privatizing the last remaining vestiges of the public sector. Public libraries would face the same threat of extinction under the GATS that was predicted with the Multilateral Agreement on Investment (MAI), a draft treaty that was abandoned in December 1998 after France's withdrawal from the proceedings. The difference is that the GATS already exists and is relatively unknown to the public, making it an easier target for WTO negotiators.

Some quotes from WTO officials:

Pierre Sauve, an OECD official and advisor to Industry Canada, told a services lobby conference sponsored by the Brookings Institute in Washington, DC, June 1, 1999 that the advantage of pursuing an investment agreement through existing WTO rules is that it "is more difficult to oppose than a full blown negotiation in a 'new' policy area. [i.e. Investment]. This is particularly true of investment discussions centered on the GATS..."

David Hartridge, Director of the WTO services division, wrote in a memo to WTO services negotiators in November 1999: "Services is the major part of the built-in agenda; less difficult and less visible politically than agriculture but very much larger in economic importance and potential. It is also the least controversial element of the Seattle agenda."

Seattle

So what happened in Seattle? How did libraries fare?

As you are no doubt aware, thousands of people marched through the streets of Seattle on November 30, 1999 to express their concern over WTO rules and their potential to affect the safety and well being of the public. Despite careful planning on the part of demonstration organizers, with a route clearly planned to create as little havoc as possible by skirting the area around the conference center, demonstrators managed to take their message to the doors of the center and delay the official opening of the meetings.

Despite this rocky start and the general disagreement on other key issues amongst WTO members, the GATS talks went well and a draft services document emerged. The goal was to begin talks early in the year 2000. This goal was achieved and as we speak, GATS negotiations are taking place, with several meetings scheduled for this month. The GATS is going ahead. All negotiations are secret and carried out behind closed doors, with little or no information about the substance of the talks feeding out to the public.

The following document [see Appendix A "Services Document"] is the blueprint for the current negotiations. Looking at it, you can see that it is dangerously ambiguous, leaving the door open for negotiators to take whatever direction they like.

The main issue is that of protecting or excluding those sectors that members do not want to be open to liberalization. This is the only way to avoid the concerns we've looked at today, short of scrapping the GATS entirely. If an exemption can be obtained for libraries, then they would probably not be in danger from foreign library-like companies claiming national treatment rights. While obtaining exemptions for specific sectors is not necessarily a guarantee for the future, it is better than nothing. However:

i) Paragraph (c) of the document says "the negotiations, from which no service sector or mode of supply shall be excluded *a priori*..." This means that right off the bat, all sectors are on the table, open to liberalization. No sector gets special treatment; nothing is considered so sacred that it wouldn't be included. Potentially any sector could be offered up.

ii) Secondly, and related to the above point, is the issue of "negotiating modalities". Looking at paragraph (b), we can see that the wording is so contradictory and ambiguous as to mean almost nothing. "Based on the request-offer approach" implies a bottom-up approach, which is promising. A bottom-up approach means that the participants introduce to the negotiations only those sectors that they wish to be liberalized. But "and supplemented as necessary by other appropriate negotiating modalities, applied on a horizontal or sectoral basis" seems contradictory. A "horizontal modality" means that whatever is decided in one sector will be applied across the board to all other sectors, while "on a sectoral basis" means that decisions will be applied individually, sector by sector. In this case, members would decide that a particular service sector should be liberalized the same way for all members.

This paragraph *probably* means the following: WTO members must offer up sectors to be committed. This constitutes the "request-offer" approach mentioned. Members will commit sectors they are willing to open up

to liberalization. Decisions made during the negotiations will be applied to these committed sectors only. However, some GATS clauses will be applied horizontally to all sectors, even those sectors not committed in the "request-offer" process. So, even though a WTO member may not commit its education sector, or health services, or libraries, these sectors will still be subject to probably some of the worst GATS clauses.

As we speak, negotiators are meeting to decide where to use this horizontal application of rules. So far, they have isolated domestic regulation. In response to a WTO challenge, a country would need to prove that the regulation under challenge was serving a "legitimate" objective. Incidentally, in putting together a WTO-approved list of "legitimate" objectives, "safeguarding the public interest" has already been rejected. So have "cultural diversity" and "environmental protection". Instead, a May 9, 2000 confidential paper suggested that legitimate objectives could include "economic efficiency", "competition" and "economic development."

Supposing a country were successful in proving that its regulation was serving a legitimate purpose, it would then have to prove that its regulating action was the least trade restrictive action it could have taken, which is nearly impossible. Once a WTO ruling was reached in such a case, the ruling would apply horizontally, across all sectors, whether the sectors were committed by WTO members or not. For example, a ruling by the WTO on domestic regulations concerning hiring practices in the health sector would automatically apply to libraries, museums, education, social services, etc. It is breath-taking in scope.

Finally, some sectors like telecommunications and finance will be negotiated on a sector by sector basis, applying the same rules to these sectors across all of the WTO member states. Tourism is next on the chopping block and if negotiated on a sector by sector basis, would prove disastrous for developing countries, which would not be able to regulate to protect delicate and already damaged eco-systems.

Returning to our services document, when you take the two paragraphs, B and C, together, the implications are disturbing. One high-ranking EU official stated in a press conference that "all the boxes will be opened, but not all of them will be filled". It occurs to one to ask why boxes that will remain empty should be opened at all. Regardless of the rhetoric being used the agenda is to liberalize all sectors, if not immediately, then gradually over time. Article 19 of the GATS talks about "progressive liberalization" and indeed, this document (see the introductory paragraph) states that the aim is "to achieve progressively higher levels of liberalization of trade in services..."

When asked in a press conference about protections for the Canadian health care and education systems against privatization, Pierre Pettigrew, Canada's Trade Minister and chair of one of the WTO working groups, brushed-off the question as irrelevant due to the built-in protections for those sectors in the GATS. There is a clause in the GATS that exempts "services supplied in the exercise of governmental authority." However, public services operating in competition with other service suppliers (like private schools) would not qualify for this exemption. A library could be considered to be operating in competition with other service suppliers by engaging in fee for service arrangements.

Should the GATS proceed smoothly in this current round of negotiations, we could soon see a world in which only the richest can afford information - and a host of other things.

What can you do?

- get informed on the issues
- spread the word to your friends and colleague
- write your congressperson and the president
- put up displays in your libraries to inform the public
- invite speakers to your library to inform the public
- join a listserv devoted to these issues
- make some noise! Demonstrate publicly...
- volunteer with any one of the public interest groups fighting against these proceedings

Do one or more of these things and you've taken your first step towards helping to fight this agenda. Globalization itself is not necessarily a bad thing; it could be a good thing. And it is perhaps inevitable. The WTO's globalization agenda, however, is corporate-driven and the rules are being written with the good of corporations, not the well-being of the public, in mind.

If even one of these things you've heard today has made you angry, I will consider this presentation a success. Thank you very much.

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APPENDIX A: *Services document drafted at the Seattle WTO Ministerial Conference, 30-11 / 4-12, 1999*

28. Pursuant to the objectives of the GATS; as stipulated in the Preamble and Article IV, and as required by Article XIX, negotiations based on these guidelines shall aim to achieve progressively higher levels of liberalisation of trade in services through the reduction or elimination of the adverse effect on trade of measures as a means of providing effective market access. The negotiations shall take place with due respect for national policy objectives and the level of development of individual Members. In this process, the existing structure and principles of the GATS shall be preserved. To this end:

(a) The negotiations shall be conducted in full accordance with Article IV (Increasing Participation of Developing Countries) and Article XIX (Negotiations of Specific Commitments) and the Annex on Article II (MFN) Exemptions.

(b) Liberalisation may be achieved through bilateral, plurilateral or multilateral approaches, based on the request-offer approach and supplemented as necessary by other appropriate negotiating modalities, applied on a horizontal or sectoral basis. Participants shall submit initial requests or proposals on specific commitments by 1st November 2000 and initial offers by 1st November 2001.

(c) The negotiations, from which no service sector or mode of supply shall be excluded a priori, shall aim to promote the interests of all participants and to secure an overall balance of rights and obligations through the liberalisation of services across a broad range of sectors. Special attention shall be given to sectors and modes of supply of interest to developing countries.

(d) In order to improve market access and make the operation of the Agreement more effective, work currently in progress under the GATS shall be expedited, alongside negotiations on specific commitments. The Working Party on Domestic Regulation shall aim to conclude its work on the development of new disciplines no later than the fourth Ministerial Conference. The Working Party on GATS Rules shall aim to conclude its work by the same date. However, negotiations under Article X (Emergency Safeguard Measures) shall be concluded by 15 December 2000, as agreed by the Services Council on 24 June 1999. Participants shall aim to conclude the work undertaken by the Committee on Specific Commitments on the nomenclature of services and the scheduling of commitments no later than the date of the fourth Ministerial Conference.

(e) Existing provisions of the GATS may be subject to technical review, as agreed by Members, in order to improve the clarity and legal consistency of the text.

(f) In the conduct of negotiations, account shall be taken of any autonomous liberalization undertaken by other Members since the conclusion of the Uruguay Round and credit shall be given for it according to modalities to be developed during the negotiations.

(g) Negotiations shall take account of the results of the reviews to be conducted by the Council for Trade in Services of Article II Exemptions and the Annex on Air Transport Services.

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SECTION 5: INFORMATION & KNOWLEDGE

Information, Censorship, and Gender Relations in Global Capitalism

Shahrazad Mojab

Since their emergence less than two decades ago, the Internet, the Information Superhighway, or cyberspace have been presented to us as the open and borderless world where the powerful and the powerless, states and citizens, and men and women can communicate without any restraint. This technology of communication, it is argued, has made censorship or control obsolete and, even, impossible. If there is a problem, it is "access to technology" or "access to information."

These claims about censorship have proved to be as inadequate as the conventional libertarian view, which reduces it to government control of information and limitations on the expression of opinion. By contrast, critical approaches argue that in developed Western capitalist societies, the market has acted as the main locus of censorship (Jansen, 1988), "thought control" (Chomsky, 1988) or "opinion control" (Qualter, 1985). Focusing on the impact of technologies of communication, Harold Innis argued that the First Amendment to the Constitution of the United States, which illegalized state censorship, was used by the privately owned press to create monopolies of knowledge, and constrain dialogue and critical thinking (Innis, 1949; for a more recent survey, see Herman 1997: for censorship by mainstream press in Britain, see, among others, Hollingsworth, 1986).

While the market and its "mass media," "consciousness industries," or "cultural industries" conduct much of the thought control, the state continues to play its role in maintaining the status quo by, among other things, the control of social movements and, even, their violent repression (for the situation in the U.S., see, among others, Carley, 1997; Chomsky, 1999; Day and Whitehorn, 2001; for Canada, see, e.g., Scher, 1992). The surveillance of citizens occurs in peace (see, e.g., McWilliams, 1950; Borovoy, 1998-99) and war (Linfield, 1990; Human Rights Watch, 1991a); in "normal" conditions and at times of crisis (Human Rights Watch 1991b; Amnesty International 2001). The modern inquisition machinery of the early 1950s in the United States was launched by the highest organ of democracy in the country, the House of Representatives, and its Committee on Un-American Activities (HUAC). This state inquisition organ targeted, among others, the Hollywood and purged it of "communists." In the wake of this purge, the banks, which financed much of the film production in the U.S., refused to finance any film that included a blacklisted actor, director, or technician. Thus, the market joined HUAC for economic or political considerations (on the press and HUAC, see Tuck 1995).

In the wake of September 11 terrorist attacks in the United States, President George W. Bush's Administration and its Western allies have moved to curb civil liberties and constitutional rights. This includes a well financed machinery of surveillance, which allows the government to wiretap telephone calls, read faxed and e-mailed messages, computer files, and every other communication of any and every citizen. Some of the privately owned, mainstream media have joined the state by instilling fear in the citizens, encouraging them to give up their hard-won civil liberties, and exchange them for "security." Much like the extreme right in the McCarthy era, the conservatives and many liberals in the post-September 11 era, compete for the highest patriotic award by demanding more surveillance.

While the market and the state are the main organs of censorship, control is embedded in other institutions, from the church to education to family. Religion, race, ethnicity, nationality, language, age, and certainly gender all act as sources, agents, or perpetrators of censorship. Let us look at the gender dimension. The first major communication revolution, writing, and the second one, printing, were male enterprises. It took women thousands of years after the advent of writing to have access to literate communication (primarily in Western Europe, North America and the former Soviet bloc).

By contrast with much of Asia, Africa and other regions of the developing world, women in the West have had more access to writing, literacy, printing, and education. They have also achieved legal equality with males. As already mentioned, however, "access to information" alone does not eliminate censorship. To give an example, feminist knowledge has seriously challenged the deep-rooted androcentrism of modern knowledge. However, in spite of progress in female literacy and access to higher education, feminist consciousness is still limited, and patriarchy is still intact, and is constantly reproduced in innumerable ways.

It is important to know more about the ties that bind censorship to gender. Even when one barrier is removed, others emerge to ensure the reproduction of the status quo. For instance, after decades of struggle, beginning in late nineteenth century, legal barriers to women's access to parliament and political

office were removed in the West and, later, in many non-Western states. This was achieved, not simply through access to information, but rather due to women's determination to create knowledge and consciousness, and engage in mobilizing and organizing (sit-ins, demonstrations, picketing, leafleting, singing, etc.) in schools, homes, streets, churches, and university campuses. However, states and state-centred politics continue to be male-centred. Even when women have a proportionate participation in the parliament, there is no guarantee that they would all advocate feminist alternatives to an androcentric agenda; and this is the case for the simple reason that women can be as patriarchal in their politics as some men are.

A more adequate approach to the understanding of censorship is, I believe, to see it not as an irrational practice, as a mischievous attitude, or a technical problem of obstructing channels of communication. Censorship is an integral part of the exercise of gender power, class power, and the powers of the nation, ethnicity, religion and governance. Not only does it deny women access to information, but also limits their *participation* in the creation of knowledge, and denies them the *power* to utilize knowledge.

If in pre-modern times the church was the major player in creating knowledge, today the market produces, disseminates, and utilizes much of the knowledge, which has achieved the status of a commodity. Knowledge is "intellectual property." Even the knowledge created in public and semi-public institutions such as universities is increasingly geared to the agenda of the market, and serves the promotion of market interests. Moreover, Western states primarily entertain the market as the lifeline of economy, culture and society. They increasingly aim at giving all the power to the market. In dictatorial regimes, however, the state still plays a prominent role in censoring the creation and dissemination of knowledge. From Peru to Turkey, to Iran and to China, states suppress activists, journalists, libraries, bookstores, print and broadcast media, satellite dishes and the Internet. They often do so by committing violence against the citizens and the communication systems they use.

Although we may find much gender-based subtlety in the techniques of limiting women's access to information, I believe that the subtlest censorship is denying feminist knowledge a visible role in the exercise of power. The state, Western and non-Western, rules through privileging androcentric knowledge as the basis for governance. The conduct of national censuses, for instance, continues to be based on androcentric worldviews in spite of devastating feminist critique. To give another example, women are now recruited into Western armies in combat functions, but states continue to ignore feminist and pacifist knowledge that challenges the very phenomenon of war and violence (Cynthia Enloe, 2000).

Women themselves can be and, often, are part of the problem. In the absence of feminist consciousness, they generally act as participants in the reproduction of patriarchal gender relations. In Islamic societies, when men engage in the "honour" killing of their wives, daughters or sisters, sometimes mothers participate in or tolerate the horrendous crime (Mojab, 2002).

The democratisation of gender relations is a conscious intervention in a power structure that is closely interlocked with the powers of the state, class, race, ethnicity, religion and tradition. For both women and men, challenging patriarchy means defying one's own values, worldviews, emotions, and traditions. At the same time, it involves risk taking including, in some situations, loss of life.

Women's full access to androcentric knowledge will not disturb the status quo. I argue that, in the absence of feminist consciousness, women may even act as ministers of propaganda and censorship. They will not be in a position to exercise the democratic right to revolt against oppressive rule.

In the West, feminist knowledge cannot be suppressed through book-burning, jailing, torture, and assassination. Censorship is conducted, much more effectively, by stigmatizing and marginalising feminist knowledge as "special interest," while androcentrism is promoted as the norm, the canon, and "human nature." That is why, I contend, that if we fill all the media institutions with female managers and staff, if we give all educational institutions to women, or hand over all high-rank military positions to women, the androcentric world order with its violence, war, poverty, and degenerating environment will continue to function.

Globalization, as it is understood in mainstream media and in state discourses, is nothing new; it emerged with the rise of capitalism; the main engine of globalization is the capitalist market, and it is promoted and planned by capitalist states through various organs such as the G8, World Bank, European Union, World Trade Organization, International Monetary Fund, etc. The impact of this globalization on women has been largely negative, especially in the developing world. Millions of girls aged 5 to 15 are recruited into the global prostitution market. Millions more leave their families and countries to raise some income as maids. However, other forms of globalization or, rather, internationalization have been in the making. For instance, feminism has evolved as an international movement in spite of the opposition of conservatives in many parts

of the world. It has been able to put women's demands on the agenda of states and international organs such as the United Nations.

Media are also important actors in globalisation. Women have had more presence in the media both as producers and as targets or sources of entertainment and information programming. There is considerable progress, for instance, in the production of women and feminist press in many developing countries. The Internet and desktop publishing present new opportunities for more media activism. Egypt has a women's television channel. Focusing on the question of censorship, the crucial issue is freedom of speech not only for women but also more significantly, for feminists and feminist knowledge. Feminist knowledge and consciousness is the primary target of censorship. Do the globalizing media allow women of the developing countries to learn about the achievements of Western women in fighting patriarchy? Do women of the West learn from the struggles of women in India, Jamaica or Saudi Arabia? Do the global media allow women everywhere to know about the Beijing Conference and its aftermath? Do they disseminate adequate and accurate information about the World March of Women? My answers are rather in the negative. The cyberspace is much like the realspace that creates it. The fact that many individual women or groups can set up their websites does not change power relations in the realspace. The negative stereotyping of women, for instance, cannot change without the dissemination of feminist consciousness among both men and women. Even if stereotyping is eliminated, gender inequality will persist.

"Gender-based censorship" cannot be overcome as long as gender relations remain unequal and oppressive. It can, however, be reduced or made less effective. While the concept "gender-based censorship" is useful, it should be broadened to include "censorship of feminist knowledge." The following are just a few ideas about what we may do:

- A) Creating theoretical and empirical knowledge about gender-based censorship, and especially the censorship of feminist knowledge and feminist movements.
- B) Disseminating this knowledge and awareness among citizens. Using this knowledge for the purpose of dismantling patriarchal power. Knowledge makes a difference when it is put into practice.
- C) Making this knowledge available to policy makers and integrating it into policy making in the institutions of the market, the state, and non-state and non-market forces.

These goals will not be achieved in the absence of feminist and women's movements. If censorship is not a mistake, but rather it is an organ for exercising gender and class power, resistance to it, too, should be a part of the struggle for a democratic regime.

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Interpreting the 'Knowledge Economy' Cacophony: the extension of commodification to information production, dissemination and storage

Alex Nunn

Introduction

Contemporary policy making and political debate displays a marked pre-occupation with the 'knowledge economy'. However, there is very little concrete consideration or popular consensus about the precise meaning of this or like terms. This short article contributes to an emerging literature which is beginning this process. It argues that the 'knowledge economy' is manifest in a multitude of ways, not all of them new. In particular it emphasises the effect of this revolution in the production, dissemination and storage of knowledge and information first in the crucial realm of Higher Education (HE) and then draws implications of this for public libraries. It highlights the 'new knowledge economy' rhetoric as an attempt to mask the reality which is the continuation of the extension of commodification too over more areas of life, to the point where even our own bodies may be the vehicle for capital accumulation. Thus the knowledge economy is an aspect of neo-liberal industrial restructuring and its constant attempts to overcome the contradictions within itself. However, after a consideration of some of the impacts of contemporary policy toward knowledge production, dissemination and storage, the article will conclude by suggesting that in commodifying knowledge and vital public services neo-liberal knowledge-based restructuring may be creating the conditions for its own demise. The article is short and its analysis limited by constraints of space. It therefore does not claim to be a comprehensive typology of the contemporary knowledge debate. Rather it proposes a particular avenue along which this debate might travel and shows how practical exemplification is necessary to give meaning to so many empty phrases.

The Contemporary Knowledge Cacophony

There is everywhere a preoccupation with the 'knowledge economy', 'knowledge revolution', 'information society', 'digital age'. Leaving aside newspaper headlines and simplistic pronouncements timed to coincide with millennial fever, these have been of central importance for policy makers at a variety of levels in the global political economy. The European Union has developed the Lisbon Strategy to create "the most dynamic knowledge based economy in the world" (European Commission [EC], 2001). Tony Blair "strongly believe[s] that the knowledge economy is our best route for success and prosperity" (Blair, 2000). Implied in these pronouncements is a vision of a post-modern post-industrial knowledge economy as "a new utopia, with collaborative knowledge workers enjoying intrinsically satisfying work, economic prosperity and democratic access to information" (Stanworth, 1998). The World Bank President argues that it is an opportunity to "bring equity to poor people throughout the world" (Wolfensohn, 2000). But amongst this cacophony of pronouncements about how we should seize the future and thrust ourselves into tomorrow's dynamic and prosperous world, there seems to be confusion about what exactly this knowledge-based economy is and how it differs from what has gone before it. However, through a glance at the policy developments that accompany such soundbites and by placing this 'knowledge cacophony' in its political, economic and historical context, it is possible to decipher the knowledge economy rhetoric to identify the key areas in its unfolding. In this regard it is argued that the 'knowledge cacophony' is actually an attempt to mask the reality of a continuation of capitalist social relations and the extension of commodification to ever more areas of social life.

The Knowledge Revolution: A Continuation of Advanced Industrial Restructuring

A dominant feature of the political, economic and social landscape over the last thirty years has been a continual process of industrial restructuring that has shifted the geographical balance of world production. Labour intensive aspects of production have been transferred from the advanced core of the global economy to production locations in Central and Latin America, East Asia, the Indian subcontinent, north Africa and since 1989 Eastern Europe and parts of the former Soviet Union. The prime motivation for this has been to bypass the embedded wage structures of unionised labour in the advanced core that had been able to sustain high wage rates during the immediate post-war period. By contrast, through taking advantage of the relative poverty and surplus of labour in the developing world, as well as the ability of authoritarian and centralised government's ability to suppress the local population, multinational industrial production was able to use relatively cheap labour in the developing world. This caused increasing unemployment and social conflict in the advanced core, perfectly witnessed by the industrial unrest of the early 1980s in the UK. It also therefore, necessitated a complimentary domestic industrial restructuring. Part of this project was manifest in the shift from heavy mass-production industry to light and service industries. So while production itself was relocated elsewhere in the world, aspects of the process were retained. In many cases these were the 'knowledge' aspects of production, such as financing, design, marketing, retail and services. In many respects the apparently 'new' knowledge economy represents a continuation, even completion of that 30 to 35 year old industrial restructuring project and is marked by the expansion of light and service industries.

The New Knowledge Industries

Within this larger medium-term restructuring project have been periods of rapid change mostly centred on the adoption and widespread (usually commercial) dissemination of technology. Thus the 1970s and 80s saw the rapid expansion of consumer electronics such as televisions, stereos, videos, compact disc players and domestic appliances such as automatic washing machines and microwaves. The same has also been true for the widespread dissemination of personal transport. During the late 1980s and 90s workplaces and homes have been transformed by the breathless development and dissemination first of Personal Computers and also Communications technology. The adoption of Information and Communications Technology into popular society over the last decade has truly transformed many social and workplace practices. The mere adoption of these technologies is hailed as an example of the knowledge economy and certainly the changes inherent in this process are part of what politicians are referring to when they use knowledge economy soundbites. However, it is questionable whether they in themselves constitute a qualitatively *new* knowledge-based economy. Most people's use of ICTs in the production process is no more knowledge-based than operating an industrial machine. Call centre operatives, office clerks and salespeople to name but a few examples, are all simply carrying out aspects of the production process aided by technological advancement. Furthermore, even the inventors, software programmers and technicians are not unparalleled in the history of capitalism. Rather, then this aspect of the knowledge economy represents no more than a continuation of mechanisation and innovation that has marked the dynamic history of capitalist development.

A connected but slightly different aspect of this 'knowledge revolution' is the exponential growth of media activity, which has been further spurred by the widespread adoption of the Internet. It is difficult, nowadays,

to find an organisation, or public actor (be they corporate, other collective or individual) without a website, and increasingly these also integrate with other high technology media such as mobile phone text messaging and email. This can certainly make the world appear as if it is full of information and knowledge, immediately accepting that these two are not necessarily the same thing (Rikowski 2000a, 2000b). Certainly also, there is economic activity in this and again the politicians no doubt include this sector in their definitions of the knowledge economy. However, it does not represent a qualitatively new phenomenon. Information and knowledge have long been available through a variety of means and have long been commodified and sold commercially.

The Extension of the Commodification of Knowledge and Information in Industrial Restructuring

The most significant aspect of the new knowledge economy is the rapid and fundamental extension of commodification to areas and aspects of knowledge and information and their production, dissemination and storage not previously seen. The most dramatic expression of this is in the field of biotechnology where commodification has extended as far as aspects of human life itself in the form gene codes. Indeed the biotechnology industry is seen by the government as a key area in which to establish competitive advantage and as such one to target research funding on, especially in partnership with the private sector. If the creation of incentives for call centres and mobile phone assembly plants is the bottom end of the spectrum as far as 'New Labour's' knowledge economy industrial strategy goes, then the focus on biotechnology as a leading aspect of international research and design is the top end.

Related to this is one of the most shortsighted aspects of knowledge economy restructuring. As a result of four interrelated factors the government is targeting the production and dissemination of knowledge, particularly in HE, as the lynch pin of its knowledge economy strategy. In doing so it is making knowledge production and dissemination ever more dependant on the logic of capital accumulation.

First, HE, as with all public services, is the target of the continuation of the privatisation agenda as a result of an ideological belief that the market is the most effective and efficient management mechanism for the public sector. This is manifest plainly in Public Private Partnerships and in Private Finance Initiatives. However, in Higher Education it has also been manifest in the drastic reduction of state funding and in encouraging Universities to look for private sector sources of funding. The market mechanism has also been strengthened through attaching public funding to additional private finance and through only making it available on a short term and competitive basis. This has resulted in an increasingly managerial culture whereby financial and commercial priorities have been emphasised (HEFCE and CVCP, 2000).

Second, the widespread industrial change highlighted above has created problems associated with a highly flexible labour market in the UK, such as unemployment (particularly amongst the young) which in turn have other social problems attached to them such as ill health, rising crime and even social unrest. The UK government, alongside other OECD nations, is attempting to address this by making education more flexible and responsive to business needs to facilitate continuous and rapid retraining and reskilling of the labour force (Newby 2000). It is hoped that this will make the UK labour force attractive to foreign capital investment. This is demonstrated through a focus on life-long learning. Attempts to make HE provision responsive to market pressure, for instance through the use of short-term funding, the encouragement of partnerships with the private sector and the increasing prioritisation of vocational 'transferable' skills over broader critical and innovative thought development are also examples of this in HE.

At the highest of these, this includes funding for research in these 'knowledge' fields especially in partnership with the private sector (DFEE and DTI, 2001). At a lower level it includes a focus on equipping workers for a variety of employments in these industries and may involve a blurring of the distinction between Further Education (FE) and HE as witnessed in the creation of the Foundation Degree. The effect of these pressures can again be witnessed by the increasing focus being placed on the incorporation of vocational skills into HE provision and its expansion.

A slightly different perspective on 'knowledge-based' restructuring arises out of the intersection of industrial change, government responses to it and the dominance of the market paradigm in the organisation of those responses. Taken together these dynamics lead to education generally, and HE in particular, to be seen as a growth market opportunity which private enterprise might exploit for large and stable profit (Stokes, 2001). Thus part of the new knowledge economy is simply the redefinition of its production and dissemination as a profit making opportunity in and of itself.

A variety of private actors are watching the global market for education very carefully. A number of private firms are already involved in adult education and training through the establishment of corporate universities and through the offering of continuing for profit education in the commercial sector. Added to these directly interested corporations are venture capital firms such as eduventures.com who provide market intelligence to

investors and seek to identify the opportunities for profitable investment in education markets. The interest of these firms was underlined in May 2001 at the World Education Market in Toronto where the liberalisation of education markets and the opportunities that it provides were a major topic of discussion for 1700 participants from 62 countries around the world (www.wemex.com).

Interest regarding labour market responsiveness and knowledge-based restructuring is not the sole concern of the UK government but is shared by many advanced industrial economies and even many emerging market economies, as well as regional bodies such as the EU in its aforementioned Lisbon Strategy. This means that there is a global demand for the services that can provide them which eduventures recently estimated to be in excess of US\$105bn per year.¹ The UK government perceives that the UK has a significant competitive advantage in this area through the high reputation of UK HE and the English language: the language of international business. Moves to establish a HEFCE funded e-university and moves by individual and collaborations of Universities to establish their own e-Universities can be seen in this regard (www.hefce.ac.uk/partners/euniv).

Universities and private enterprise are already involved in well-developed initiatives intended to exploit this developing global market. The University of Phoenix is a good example of this: a private for-profit University, it offers distance education through an online interface and through branch offices all over the US to some 15,000 students (www.uophx.edu). This trend is particularly pronounced in adult business education where there is well-developed competition in distance learning between private providers and with traditional business schools. The costs and risks associated with such ventures though mean that many traditional HE providers are forming strategic alliances to facilitate their entry into the market. There is a multitude of such alliances, but the most developed and high profile of these is Universitas21: a network of 15 Universities around the world in alliance with the Canadian Electronics firm Thomsons. U21 is currently the subject of much debate about employment contracts, student access, quality and Intellectual property ownership. Its aim is to provide "a pre-eminent brand for educational services supported by a strong quality assurance framework."²

Implications for Public Libraries

It is clear that libraries face similar challenges to HE. Again the threat to publicly funded libraries springs from a number of sources. The continuation of the market assault on public services and the effects of the fiscal crisis of the state threaten the continuation of public funding. This brings with it the threats of closure and a turn to greater private sector involvement. This is particularly so as moves to marketise public services become 'locked-in' to an overarching set of global rules which take on the form of a global constitution for neo-liberal capitalism (Gill, 1999). In this respect a report commissioned by library associations and trade unions in Canada, identifies the regulations and legal frameworks of the General Agreement on Trade in Services as a major threat to the continued public provision of library services (Shrybman, 2001).

However, the initiatives specifically linked to knowledge-based restructuring are also of key relevance to library services. The threat of the commodification of both knowledge and information threatens the very ethos of freely available public provision. Public libraries could find themselves in ever more competition with for profit knowledge institutions and if the GATS framework were extended to libraries then that competition would be intensified through the ending of public subsidies to public library provision (Hunt, 2001). *Information and Social Change*, as a journal is keenly aware of the implications of how and for whom information is stored, accessed and presented. The contemporary wave of commodification above threatens to restrict the production, dissemination and storage of knowledge purely on its value to the production process. In many ways this is a project of de-politicisation: restricting access to knowledge and information, a process congruent with the embedding of a hegemonic neo-liberal orthodoxy. In this context the social value of information is undermined and carries dire implications for the ability to enact progressive evolutionary social change.

Implications for Society

The redefinition of knowledge production, dissemination and storage as an economic and profitable process: commodification threatens the very fabric of liberal and democratic society. While it is true that education is always linked to the dominant values of any society this current project of commodification poses serious risks. In the past, particularly in the post-war period, education has focused more broadly than the simple skills that individuals may need for a particular place in the workforce. It has contained wider values such as democracy, tolerance, morality and academic knowledge that may be entirely peripheral to the likely employment experience of those being taught. Research too has taken a broad agenda, not focused solely on the production of goods and services that may be sold at a profit. Such breadth in teaching has produced a vital social role, as have publicly funded libraries. It has produced individuals capable of thinking past yesterday's problems and creating innovative and imaginative solutions, fiercely protective of individual

freedom and crucially aware of the importance for social stability of some measure of egalitarianism. Independent and free research has allowed public debate access to independent sources of knowledge, an important balance to the impressive research budgets of vested interests. Against this analysis the post-modern, science-fiction, of a clean prosperity ridden new knowledge economy of equality and fairness with the microchip taking the strain, is exposed as mere ideological rhetoric to cover the constant searching of capital for new areas to colonise.

However, the increasing commodification of knowledge production, dissemination and storage is undermining these vital public goods in favour of profit and the simple production of labour power. This poses significant problems for capitalism itself. In limiting what is available as knowledge this restructuring is not only removing checks and balances to corporate power but also the basis of the dynamism of the system itself. It is ironic that the sort of technological advance that has been one of the major driving forces of industrial change over the last thirty years, and has allowed capital accumulation to bypass obstacles that would have otherwise interrupted accumulation, may in the future begin to restrict innovation. Further, when problems do occur, it has in the past been of exceptional advantage to the forces of capital itself to have individuals able to step back from the immediate situation and take a broader perspective something which has been facilitated by the publicly funded and widely available research, education and access to it.

Conclusions

There are key concrete policy initiatives and developments that can be associated with the cacophony of knowledge economy soundbites. However, there is serious doubt as to whether these are new or simply reflect the continual development of productive forces and the labour relations that these give rise to. In particular the knowledge economy seems to be centred on the extension of commodification to the production, dissemination and storage of information. It has been argued here that not only is this undesirable but that the knowledge economy rhetoric is an attempt to cover this up. Additionally, it poses a serious threat to the dynamism of capitalism itself. In this way it is possible to see that while the dynamism of capitalism has allowed itself to emerge from successive crises with the central logic of accumulation still intact, it is still full of internal contradictions that ultimately undermine its own values and integral energy.

Notes

1. See http://www.eduventures.com/research/industry_research_resources/MO_2001.cfm.
2. See <http://www.universitas.edu.au/introduction.html>.

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The Learning Society Revisited

Patrick Ainley

Introduction

For the past decade and more those of us in the various branches of the 'infocation' business have been blown about by the windy rhetoric of a 'Learning Society'. Conservative governments started it when they proposed turning Britain into 'a Learning Society' by the year 2000. They endorsed the National Education and Training Targets formulated by the employers' Confederation of British Industry in 1991. These proposed a 'skills revolution' to create 'a new training culture' in which individuals would be 'empowered with real buying power' for 'career mobility and needs satisfaction'.

So what has happened since then? Are we now living in a new millennial learning nirvana, or has something gone wrong, or is something else going on? This article briefly revisits the Learning Society notion to answer these questions.

Towards the certified society

As defined by government and CBI, a 'Learning Society' is one that systematically increases the skills and knowledge of all its members to exploit technological innovation and so gain a competitive edge for their services in fast-changing global markets. This requires a workforce that is computerate rather than merely functionally literate and numerate, as was needed for the first industrial revolution. At the same time, the rapid pace of technical change demands workers who are flexibly able to adapt to new technology throughout their working lives. 'Lifelong Learning' permeating all aspects of social life thus replaces 'front loaded' schooling and apprenticeship only for the young.

The CBI's vision assumed a general 'upskilling' of the labour force. However, the consensus from research is that a process of 'skill polarisation' is occurring in employment, together with heightened academic differentiation in education. Although unemployment is officially below one million in the UK, millions of people are relegated to insecure, intermittent and semi-skilled jobs.

Meanwhile in education and training, at one pole those with basic skills and special educational needs plus English language learners are on programmes requiring participation in training or work experience as a condition of 'workfare' payments. At the other pole are those whose pre-existing elite culture is legitimated by academic higher education. Between these two extremes are millions of indebted students and trainees, adults as well as younger people, whose participation in education and training is often prompted by unemployment. In work, others are forced to participate in 'training' that has more to do with dancing to their bosses' tunes of 'organisational management' than increasing their knowledge and skills.

The result is rampant qualification inflation as millions run up a down an escalator on which their diplomas devalue even as they acquire them. This is leading not to a learning but to a certified – and certifiable! - society.

Giving education a bad name

It is not accidental that accusations of 'dumbing down' have paradoxically accompanied the unprecedented expansion of further, higher and continuing education.

Yet 'education', 'training' and 'a Learning Society' are felt to be such self-evidently good things that hardly anybody questions them. For teachers and other professional educators it is perhaps self-interested to foster

this illusion of the epoch. But teachers especially are vilified for widespread dissatisfaction with the learning game, while at all levels from primary to post-graduate schools their conditions of employment are deprofessionalised as they teach to the test for performance related pay. The 'Learning Society' is thus not also the 'Teaching Society' since increasingly students are expected to teach themselves. Teachers and lecturers are relegated to 'facilitators of learning'.

A dispassionate look at the term might suggest that every human society is 'a Learning Society' in the sense that, since culture cannot be genetically inherited, everything known has to be re-learned by each new generation. This would be true even of so-called 'primitive societies' that anthropology supposed existing without history. However, learning might also be posed in terms of how societies learn from historical experience; as for example how Germany and other countries learnt from the experience of fascism, or from the ultimate failure of the socialist experiment in the former-Soviet Union, or the lessons we have not begun to learn in Britain from the experience of Empire.

Such real social learning would necessarily be collective and democratic, open to different interpretations and to debate. This is not the intention of the 'Learning Policy' inherited from the Conservatives and developed by successive New Labour governments. Instead, knowledge and skill are individualised and limited to portfolios of information and competence, while learning is separated from leisure and popular culture. Education and training's main purpose becomes social control outside of work and managing organisational change within employment.

Further than where? Higher than what?

Further and higher education provide good examples of what is going on. They show how contracting out to 'providers of learning and skills', as colleges must now call themselves, exemplifies the new information society of management by e-mail and self-management for minions.

The market mechanisms that have been accepted by FE and HE management typically devolve funding for teaching and research from the government's Treasury to funding councils to colleges. As in other areas of the contracting state, this centralises control in the hands of the funder of the contract whilst making the fund-holder accountable for fulfilling the contract. Fund-holders may then subsequently subcontract to subordinate agencies regulated in like manner.

At the same time, if the clients of services (in this case students) can be constituted as a market through 'empowerment' by loans and Individual Learning Accounts that they can spend when and where they wish, then determination of funding is opened to the market. The wider social purposes of education, previously open to democratic accountability, are lost. Thus, whole sections of the welfare state – not only the schools and colleges that have been removed from the democratic control of local councils - are being dismantled for privatisation.

Staff who provide courses in colleges must respond to the pattern of student demand. This is especially the case under the conditions of output related funding already obtaining in FE where colleges don't get paid until their students complete their courses. But staff also, like fund-holders, set the conditions for the courses they offer on the market. Staff regulate students and students regulate staff, who are in turn contracted to the college, in turn contracted to and therefore controlled by funding councils and ultimately the Treasury.

Students, working their way through university and college, paying through the nose and up to their ears in debt, become increasingly utilitarian in their approach to learning. Their study is reduced to cramming information for regurgitation in academic examination or to the acquisition of so-called 'key', 'personal and transferable skills'. These are actually generic competences necessary for a variety of employments rendered increasingly similar by the latest applications of new technology.

Overarching schemes of knowledge are thus reduced to jumbles of information while holistic skills are separated into their component items of performance or competences. Teaching is confused with testing and qualification with certification. Despite the exponential increase in available information in a variety of media, lack of the knowledge, skill and judgement to make sense of it all results in 'information overload'.

Some academics actually make a virtue of all this with their notion of 'postmodernism'. This celebrates the collapse of old ideologies and ridicules any attempt to build or rebuild a new 'grand narrative' such as the theories of science and humanitarian progress that have sustained progressive thought since the enlightenment. They totally confuse their students with this 'Destruction of Reason'.

Learning to survive

In opposition to this individualised 'Learning Society', it is impossible to return to the old certainties it has replaced. Instead, a new alternative has to be found. Its economic underpinning will be full (but not full-time)

employment, integrated with learning in and out of work and in and out of education and training institutions; i.e. the right to earn combined with the right to learn.

Such working and learning should be integrated with leisure and popular culture through what has been called 'cultural production'. This requires a sharing of knowledge/skill and power in a democratically reconstructing state; plus the use of human-centred technology to develop useful knowledge/skills for survival. Such really useful knowledge can be acquired through practical project learning in and out of employment as well as in and out of institutional education and training. This would be real learning in a real 'Learning Society'.

The free market Utopia advocated by 'Learning Society' ideology in which the endless production of commodities can supposedly satisfy all individual demands is not open to the necessity of integrating humanity with its environment. So, a shift in perspective is required towards a view of the world within which collective decisions can endorse what knowledge is useful for our survival as a species.

The fundamental cultural activity if society is to be so reconstructed from the bottom up is democratic debate and decision making. Just as we cannot return to the bureaucratic management of the old welfare state so we cannot return to its professional paradigm in which all-knowing professionals acted on behalf of ignorant and passive clients. The welfare state can only be saved by a resolutely decentralised reform in terms of its management and local control, even though its financing will still involve national redistribution according to priority of need.

The first priority for any government seriously committed to a real Learning Society would therefore be to re-establish the central purpose of education, science and the arts in society: to stimulate thought and develop new knowledge and skills to deal with a rapidly changing reality. This would be a real cultural revolution - not the partial 'skills revolution' of the CBI limited only to vocational preparation and individual competition.

Nor would this new learning policy present itself only as learning for leisure. Cultural production is essential not only for the increased education and training required for a labour process and a Learning Society consciously involving all its citizens but also to encourage the restoration of the environment that the destructive production of commodities in the past has already gone so far to destroy.

The new democratically reconstructing state will also need its own and non-competitive relation with other developed economies as well as a non-exploitative relation to the developing countries inhabited by the vast majority of the world's increasingly impoverished population. This implies both a new internationalism and a new regionalism. In a Europe of the regions this would strengthen resistance to the depredations of monopoly capital operating through the US-dominated global market.

The first step to generalise the knowledge and skills to inform democratic modernisation is to establish for as many people as possible the normality and desirability of full-time education to 18 and recurring returns to free education full- and part-time thereafter. At the same time this 'front-loaded' full-time educational entitlement would be integral to work in and out of formal employment so as to learn from work if not learn to work. Instead of being limited to vocational preparation and academic certification, it would be integrated with local popular cultures and recreations, allowing knowledge and skills to be developed and assessed on practically useful projects.

This entitlement to meaningful education in which learners themselves decide what is worth learning, should also be used to emphasise the assumption of full citizenship rights and responsibilities for all from the age of 18, instead of socially excluding a section of youth to a secondary labour market to which they are at present relegated by academic 'failure'.

Simply, education can no longer be about selection for the employment hierarchy. The 'needs' of industry have to be set in a wider framework of human cultural and environmental need. New technology provides the potential to enable all working people to become multiskilled and flexible in a true sense, able to undertake a wide range of specific and general tasks, including self-management of their co-operative enterprises and democratic government of their society. In other words, only information combined with democracy can provide the knowledge and skills necessary for survival in a real 'Learning Society'.

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The knowledge economy vs. the learning society

Jonathan Rutherford

The Great Non-Debate of the 2001 election: What is the alternative to the marketisation and privatisation of public services? How can the left transform the public sector into an effective and democratic redistributor and facilitator of wealth, resources and life opportunities?

The knowledge economy vs. the learning society

We need to take seriously Tony Blair's and Gordon Brown's commitment to the marketisation of the welfare state. This is New Labour's big idea and it is already well underway, as the example of the knowledge economy shows.

In its assessment of the knowledge economy, the Centre for Educational Research and Innovation at the OECD describes member countries as facing 'a transformation of a magnitude comparable to the one of the industrial revolution.' Knowledge is the intangible asset of wealth creation in today's globalised economy. It provides in large part, the key competitive advantage of a company. In January 2001, Lord Sainsbury told the North West Knowledge Economy Conference that the universities were at the heart of the UK's productive capacity: 'they are the hub of the business networks and industrial clusters.' Quoting Prime Minister Tony Blair's Oxford Romanes speech on education he announced that 'entrepreneurial universities will be as important as entrepreneurial businesses, the one fostering the other.'

Since the 1992 deregulation of universities, Government prescription has brought them into closer conformity with the needs of business. Officially 'private sector bodies', universities increasingly function like commercial organisations favouring departments and research which can realise financial returns. Marketisation and performance management practices have centralised regulation and quality control, undermining disinterested scholarship and free thinking. Cuts in state funding encourage the use of the Private Finance Initiative and a transfer of publicly owned infrastructure to privately owned corporations. High tech vendors like Compaq, Oracle, Cisco and IBM are seeking to establish roots in UK academic institutions and ensure that student's skills will meet industry's needs. Global corporations like Sodexo Catering and Support Services are developing 'bundled services' to exploit the increasing access to public sector markets.

In 1999, the Director General of the World Trade Organisation (WTO), Mike Moore told The Third Debits Conference in Berlin that an ever increasing range of essentially local services were being transformed into internationally tradable products. In particular he cited financial, business, education and health services. Intellectual Property Rights and the commodification of knowledge are extending commerce into learning and reducing education to the transmitting of units of information that will enhance an individual's employability and productivity. Abstract and expressionistic thinking and learning which cannot be measured or quantified in immediate material or financial benefits are marginalised.

New Labour is unambiguous in its support of open markets to boost the UK's economic position. Minister of Education David Blunkett's response has been forthright: 'I make no apology for placing higher education at the heart of the productive capacity of the knowledge driven economy.' In spite of Blunkett's enthusiasm, it is the Department of Trade and Industry that is shaping policy in education. Its 2001 White Paper on Enterprise, *Skills and Innovation* commits New Labour to developing an enterprise society: 'creativity, enterprise and the ability to innovate are at the heart of the education and skills we provide to our young people and adults.' New Labour's priority for a competitive, enterprise culture and the marketisation of the public sector, mirror the strategic goals of European big business.

The 2000 Lisbon European Council on employment, economic reform and social cohesion committed Europe to a new strategic goal: 'to become the most competitive and dynamic knowledge based economy in the world'. The outcome of the summit was a triumph for a discrete lobby group, the European Round Table of Industrialists, an organisation of 48 chairpersons and CEOs of Europe's largest transnational corporations. Its 1998 *Job Creation and Competitiveness through Innovation* report promotes a culture of innovation as the panacea for Europe's perceived failure to match the productivity levels of the U.S economy. European culture is faulted for favouring 'greater security, stability and equality over risk-taking, creativity and innovation.' It concludes that there is a 'crying need for greater flexibility in labour laws at a national level in Europe.' Fixed wage structures stifle change: 'We need to move away from a fixed-wage-earning society to a performance linked compensation system.' The Presidency Conclusions for the Lisbon Council adopt a similar logic, concluding that 'achieving the new strategic goal will rely primarily on the private sector, as well as on public-private partnerships.'

The crisis in the knowledge, telecoms and new technology economies has exposed the flaws in this model of innovation and competition. Neo-liberal capitalism geared to the pursuit of profit is incapable of the kind of sustainable development necessary for effectively and equitably managing and distributing the intangibles of knowledge creation. Knowledge is a public good, but knowledge capitalism is avaricious in expropriating the cultural meanings, symbols and knowledge it requires to increase its productivity and create new markets. In the process it effectively destroys the social relations in which they thrive. Over the last three decades, British governments in their uncritical embracing of business have provided it with unregulated access to social, cultural and human capital created by the publicly funded education system without any obligation that they should pay through an increased taxation on profits. The consequences today are six million people, roughly one in six of the population without any formal educational qualifications. The Local Futures Group, casting a sceptical eye over the regional disparities of the UK knowledge economy, has revealed that 'all the evidence indicates that the UK economy lacks the capacity to generate good jobs - by European standards - evenly across the regions.'

The job of universities is to pursue the public good and to push back the frontiers of knowledge without commercial application in mind. Historically they have lacked the enthusiasm to create forms of citizenship, equality and structures of participatory democracy, which would lay the foundations for a society of life long learning. The past paternalism and bureaucracy of the public sector has left it with few allies, and made it easy prey to knowledge capitalism. With little protest universities have adopted the same functionalist and cognitive based criteria for measuring the economic value of knowledge as neo-liberal capitalism. And yet the seedbed of the knowledge economy and its future lies in a secure public sector which can nurture and sustain learning, and in civic and popular cultures where ideas can circulate and develop free of exchange value.

As New Labour increases its rhetoric about the knowledge economy it is important to recognise that knowledge capitalism and the instruments of regulation that have been imposed on universities and schools are antithetical to a democratic learning society.

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Jonathan Rutherford is a Senior Lecturer in Media and Cultural Studies at Middlesex University, and his latest book is called *The Art of Life*. This article is reprinted (with kind permission) from a Signs of the Times discussion paper, available at: <http://www.signsofthetimes.org.uk/knowledge.html>

A Statement on State Terrorism, Censorship & Repression

We as Librarians & Information workers view the introduction of new anti-terrorism legislation as a threat upon ALL our liberties.

We view the idea of censoring information in order to counter terrorism as an assault upon all our freedoms.

The introduction of such legislation is at best an exercise in spurious logic.

We view the idea of introducing legislation to cloak the work of the utilities, under the guise of 'preventing terrorism', as no more than an attempt to prevent us from gaining knowledge about the ecologically unsound and extremely dangerous practices that these companies engage upon.

This is particularly so when it comes to the Nukiller industry.

We believe that information about the public utilities should be freely available.

We view all legislation to censor information about the military, under the guise of 'state security', as no more than another way in which our societies are being increasingly militarised.

We view the threats posed by the military, and military secrecy, as dangers to our very freedom, while we also fully condemn any terrorist attacks that have occurred, or may occur in the future.

We condemn all past and present secrecy legislation as an assault upon the very concept of Freedom of Information, a principle we hold dear. Such legislation curtails the rights of the people to decide upon issues that affects all our lives.

We affirm that we all have a right to information being kept within the public domain.

We pledge ourselves to combating all forms of state censorship.

We affirm this ideal: that in order to live in a free society, then we must act as though we are living within a free society.

A policy statement issued by ISC 25th December 2001 – drafted by Martyn Lowe

CONFERENCE

Libraries under Fire

Sessions to be held as part of **IFLA 2002 Conference in Glasgow, 18-24 Aug 2002**, "*Libraries for Life: democracy, diversity, delivery*".

To be organised jointly by **Information for Social Change, Link, Book Aid International** and the **Social Exclusion Action Planning Network**:

- Session One: Libraries under Fire**
 Lead organisation: Book Aid International
 Organiser: Erica Lang
 Content: Libraries during and after civil conflicts
- Session Two: Libraries and Globalisation**
 Lead organisation: Information for Social Change
 Organiser: Ruth Rikowski
 Content: The impact of globalisation on libraries around the world
- Session Three: Libraries and Social Exclusion**
 Lead organisation: Social Exclusion Action Planning Network
 Organiser: John Vincent
 Content: How libraries are tackling social exclusion (homeless, mental health, asylum seekers, and travellers)
- Session Four: Libraries and Disaster Recovery**
 Lead organisation: Link
 Organiser: Gill Harris
 Content: How libraries recover after a disaster (the impact of September 11th 2001 on US libraries – erosion of civil liberties etc; the impact of the collapse of the Soviet Union and Hurricane Michelle on Cuban libraries)

Information for Social Change (ISC)

ISC is an activist organisation that examines issues of censorship, freedom and ethics amongst library and information workers. It is committed to promoting alternatives to the dominant paradigms of library and information work and publishes its own journal, *Information for Social Change*.

The ways by which information is controlled and mediated has a serious influence on the ways people think, how they communicate, what they believe is "the real world", what the limits of permissible are. This applies equally to information that comes through the channels of the mass media, through our bookshops or through our libraries.

Of course, free and equal access to information is a myth throughout the world, although different situations pertain in different countries. Control is more explicit and crude in some places, more

“sophisticated” and more invisible elsewhere (for example in Britain). One of the aims of *Information for Social Change* is to document those situations.

But we want to go further than that, documenting also the alternatives to this control, the radical and progressive channels by which truly unfettered, unmediated ideas may circulate. And further still: to encourage information workers to come together, to share ideas, to foster these alternatives – whether we are publishers, librarians, booksellers, communications workers or distributors. Whoever you are, if you are in sympathy with us, join us.

Statement of Aims

- To address issues of freedom of information and censorship as they affect library and information work
- To promote alternatives to mainstream library and information provision
- To provide a forum for the exchange of radical views on library and information issues
- To debate ethics and freedom with the library and information professions
- To challenge the dominant paradigms of library and information work
- To network with and support other progressive library and information organisations

Activities

As well as publishing *Information for Social Change* twice a year, we also organise seminars and conferences with other progressive organisations such as LINK – a Network for North South Library Development. Conference themes have included:

- Better Read than Dead: libraries in China, Cuba, People’s Korea and Vietnam
- People without Places: the information needs of refugees and asylum seekers
- Libraries and Social and Political Exclusion: an international perspective

The proceedings of these conferences were subsequently published and are available from the editorial address.

Join us!

I/My organisation would like to subscribe to *Information for Social Change*

Name:

Address:

Individuals = £5.00pa, Organisations = £15.00pa

Please send cheques, payable to “J. Pateman” to 323 Petten Grove, Orpington, Kent. BR5 4PU

Getting involved

Do you want to contribute to ISC? Please indicate your areas of interest:

- Writing articles for the journal
- Reviewing publications
- Supplying news items
- Networking
- Join the Editorial Board
- Organise conferences and events